

An RTPS Article

Well-Managed Purchasing in the Non-Profit Sector:

It's About More Than Just Saving Money

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Purchasing is often considered to be a necessary evil in many organizations and non-profits are no different. All non-profits require goods and services to keep their organizations running and fulfill their mandates within the community. They need to buy things to literally keep the lights on but, with so many competing priorities, Purchasing rarely gets the attention it should.

Non-profits know intuitively that there is benefit in closely managing their Purchasing activities, and that cost savings are available if the necessary resources can be dedicated. Taking the time to check pricing, obtain multiple quotes, or simply confirm that the right things are being purchased, can all drive down costs. But it's still sometimes difficult to justify spending more precious time on a support function, in particular for smaller non-profits.

It's important to consider though, especially in the non-profit world, that focusing solely on cost savings may mean that Purchasing is ignored as a potential lever to drive a number of important benefits to your organization. Investing the time to manage your non-profit's Purchasing in a professional manner can have a profound effect on your organization, far beyond simple cost savings. Well-managed Purchasing can yield a bevy of benefits to your organization, such as:

- Reducing the risk of organizational wastefulness or mismanagement being exposed outside the organization;
- Demonstrating active and effective use of funds to potential donors;
- Maximizing cost savings - though it's not the only benefit of managed spending, it's fundamentally important and can't be ignored;
- Improving the quality and suitability of the goods and services being purchased;
- Forcing critical thinking around demand management - what you really need, when you really need it, and how much of it you really need; and,
- Ensuring that contractual agreements protect your organization.

Finding a way to put some focus on your organization's Purchasing needs can be a challenge, but the benefits of doing so in a non-profit organization are real and substantial. Whether you handle your needs individually, seek external support or pool your resources to work with other non-profits, the return on well-managed Purchasing activities will far exceed simple cost savings.

Round Table Procurement Services (RTPS) is a services organization that specializes in supporting non-profit organizations in their efforts to better manage their purchasing activities and improve the impact of every dollar spent. They offer a unique combination of proven tools, approaches and skills that help instill robust best practices within an organization and optimize their costs. Their collaborative approach allows organizations to implement pragmatic and effective purchasing and supplier management solutions that are sustainable over time.

For more information contact David Rourke at 416-816-6358, or send an email to info@rtps.ca, to discuss how RTPS might assist in achieving your non-profit's goals.