

Making the Case for Delivery vs. Drop-In

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Every year as the summer winds down many organizations start gearing up for the craziness that comes with a renewed commitment to get back to the grind. September brings a sense of a fresh start as we use the energy boost we were hopefully able to take advantage of over the holidays (apologies to summer camp operators – your time is coming!)

Along with the “get back to business” mentality often comes thoughts of restocking on supplies for the coming months. It’s one of the reasons why August and September are the busiest months of the year for Office Supplies companies. As you think about stocking up for the fall, we encourage you to consider an important Purchasing Best Practice: **Have your supplies delivered!**

Over the course of our work with a variety of non-profit organizations, we’re often surprised by the amount of in-store shopping we encounter. While it can be a necessary last-minute solution for an urgent need, many organizations are making it regular practice to shop at retail stores for their on-going needs. It’s understandable – going shopping provides a convenient, on-demand approach to getting what you need right away, often at a price that’s hard to beat. It also can provide a welcome break from the workplace for staff who could use a change of scenery.

While this may seem like a harmless practice, there are a few concerns to be aware of when it comes to “popping out for a few supplies”:

Quality. A lot of retail shopping takes place in stores known for their low price – dollar stores and WalMart in particular. The concern here is with the quality of the products that you’re purchasing. At best, you might be faced with having to replace poor-quality items sooner rather than later. At worst, you could be using items (toys or kitchen supplies, for example) that are not sourced from reliable manufacturers and could carry health-related risks.

Absenteeism. People in our sector do good work, and it’s often true that the work we do needs to occur in a physical space (centres, offices, camps, etc). Time away from that space usually means time away from the work and the people that need us. Even if staff aren’t required to be in a specific place, time shopping is likely not part of the job or the mission of the organization so it’s at least an unnecessary distraction.

Allowing staff to leave the office, especially if driving, also carries some insurance risk if your policy doesn’t cover any unfortunate accidents that might take place outside of the office.

Accounting. In-store shopping usually means payment via a corporate or personal credit card or by petty cash. We’ll deal with the various methods of payment in a different post, but suffice to say that there are significant advantages to ordering on account via an invoice and paying within agreed payment terms (eg. 30 days later). In addition to the typically lower finance charges, it’s

normally more efficient to pay an invoice by cheque or EFT instead of processing a personal expense claim or credit card statement. Payment against an invoice also usually allows for better capture of data so you can keep track of where your money is being spent.

These are just three of the reasons why many best practice organizations opt for delivery of supplies over retail shopping. They support an overarching Best Practice that you've probably heard us refer to in the past: the notion of **Total Cost**. You may be encouraged by the ability to save a few dollars at the local discount store, but what is it costing you in terms of lost quality, risk and lost/misallocated staff time? Once you take a total cost approach, you might reconsider the true value of those shopping trips.

About the RTPS and the ONNPP

Round Table Procurement Services (RTPS) is the ONN's partner in the ONN Purchasing Program (ONNPP), an initiative designed to help drive savings and other improvements in how the sector spends money. Founded in 2003, RTPS is dedicated to helping non-profit organizations in Canada better manage their purchasing activities and improve the impact of every dollar spent. They offer a unique combination of technical expertise and non-profit experience that deliver proven results. Whether its reducing costs, managing suppliers, developing policy, driving efficiencies or navigating board or regulatory requirements, RTPS helps NPOs turn purchasing headaches into opportunities to improve. Learn more at www.rtps.ca or email info@rtps.ca.