



MORRISROE REDUCES UNNECESSARY ORDER PROCESSING COSTS WITH ONSITE PLUS

OnSite Support supplies a wide range of products to Morrisroe for its projects in London, the South East and the Midlands, including PPE, site welfare products, tools and site equipment.

OnSite Support has worked with Morrisroe to improve its efficiency by using their new PLUS procurement tool. This has helped to save thousands of pounds and hundreds of hours in management time.

“We are very interested in understanding where we can improve our procurement performance and drive up efficiencies across our business,” explained Morrisroe Founder and Group CEO Brian Morrisroe. “So, when OnSite Support explained how PLUS could help us to analyse our purchasing data more easily, we felt it was worth exploring.”

OnSite's PLUS service uses buying data to assess procurement behaviour under four key headings: Purchasing, Logistics, Use and Sustainability (PLUS). The analysis enables business to benchmark and to highlight areas of waste or inefficiency.

Many construction firms focus on day-to-day operational demands and so last-minute ordering is common place. This often results in many small deliveries which can often be rationalised with a better procurement process.

According to the Chartered Institute of Procurement and Supply, the average cost of processing an order is £50, regardless of its value. With Morrisroe placing hundreds of orders a year with OnSite Support alone, order processing costs (OPC) are a significant cost to the business. OnSite Support analysed Morrisroe's data for March, April and May 2019 and this showed the OPC was approximately 26% of the total value of its orders.

“A quick win was to help the procurement team consolidate its purchases as clearly fewer orders would mean lower processing costs,” said Warren Lynes, Managing Director at OnSite Support. “Morrisroe was already using our online ordering system but only

had one administrative user. The first step was to add individual sites as users, which gave ordering flexibility, while maintaining central control. We also agreed a flexible protocol to consolidate deliveries – in this case to twice a week - to balance efficiency with any urgent safety requirements.”

Comparing the same three-month (March to May) period in 2020, the number of orders made by Morrisroe fell by 3.6% despite spend increasing by 54%, largely due to the impact of COVID-19. As a result, OPC was reduced to 16% of the total order value.

“If we had carried on ordering in the same way as before, with a similar proportion of orders to expenditure, processing costs would have been far higher,” Brian added. “We estimate that without consolidating orders and restricting deliveries, additional order processing costs could have run into thousands of pounds.”

Reducing carbon emissions

“Our current focus on improving efficiency supports our drive to be responsible and to reduce our carbon footprint.” Brian added. “PLUS data provides additional visibility and helps us to understand what we are doing well and where we can improve.”

Morrisroe has been able to measure the impact of reducing deliveries to site. This, combined with a broader selection of more sustainable products to choose from containing more recycled and recyclable materials, provides firms with the opportunity to improve sustainability in an area that is often overlooked.

Warren concluded: “The beauty of PLUS is that it is designed to be flexible, so we can tailor analysis to meet a customer's individual needs, be it to improve efficiency, to be more strategic in ordering or to help reduce environmental impact.

“The process includes regular reviews of the data to generate insights, track action and measure improvements because, ultimately the adage is true: ‘If you can't measure it, you can't manage it!’”

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