



Her Majesty's Prison Service
London, England
www.hmprisonservice.gov.uk

Industry:

Public Sector

Annual Revenue:

US\$3.3 billion

Employees:

48,000

Oracle Products & Services:

Oracle Advanced Procurement
Oracle iProcurement
Oracle Financials

“We evaluated procurement solutions from several leading vendors, but Oracle offered the greatest business process flexibility and most intuitive interface and user-friendly operation. This won over our user base, ensured rapid adoption, and sped time to value.” – Vincent Godfrey, Head of Procurement, Her Majesty's Prison Service

Automated Centralized Purchasing Processes Drive Efficiency Gains at Her Majesty's Prison Service

Her Majesty's Prison Service is responsible for the custody of 70,000 prisoners held in 128 public sector prisons in England and Wales. The service aims to help prisoners lead useful, law-abiding lives, both while in custody and after release.

Challenges

- Reduce administrative costs associated with procurement in accordance with a critical report by the National Audit Office
- Cut cash tied up in inventory by 25% within three years
- Reduce the GBP550 million (US\$1 billion) spent each year with external suppliers without affecting product quality
- Gain real time visibility and improved control over expenditures

Solution

- Used Oracle Advanced Procurement to reengineer and standardize procurement processes for all prisons and negotiate cost of goods and services and supplier payment terms centrally
- Implemented Oracle iProcurement to enforce online, catalog-based purchasing for food, catering, cleaning supplies, and other goods and services, amounting to 30% of total spend
- Improved control over remaining 70% of spend by raising purchase orders for each transaction in Oracle Financials
- Reduced value of items held in stock by 10% in 18 months; on target to achieve 25% reduction within three years
- Achieved substantial reductions in the cost of most goods and services; set to save GBP50 million (US\$92 million), almost 10% of annual spend, within three years
- Used efficiencies gained by Oracle Advanced Procurement to cut the central strategic procurement team from 86 people to 39
- Benefited from process automation to eliminate the need for a purchasing administration function at each prison and set up six regional teams, cutting headcount by 65%