

## **MacBuy Townhall Welcome Message**

**By Dee Henne, AVP & CFO, McMaster University**

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Thank you for coming to the MacBuy Townhall and special thank you to Terri Wetton the MacBuy Functional Project Lead, Babu James the Project Manager, and Kelly Fisher, for their work in putting this Townhall time together for us.

In August, we held a MacBuy kick-off meeting. The meeting invited individuals associated with this project, including members of the MacBuy Steering Committee and members from our IT Governance structure. This kick-off meeting was also extended to both Deans and Directors of Faculty Administration. Since then, many faculties have taken us up on the open call to invite us to any of their meetings that they feel appropriate to communicate and consult on this project. Over the past 3 months, there have been MacBuy meetings with Provost Council, Research Council, MUFA Executive, the research focus group, the research administrators' focus group, and many other faculty administrator teams. Our open invitation remains for others who would like to hear more about this project and provide their input as we proceed toward initial rollout in 2019 and into a 5-year transition period.

For those who do not already know, MacBuy is a procurement system integrated with Mosaic that will replace the Oracle requisition module, as we know it today. MacBuy uses a shopping cart model to acquire goods and services, which allows users to buy goods for multiple accounts at a time, allocate costs as appropriate by funding sources and item use, and the system copies our workflow approval model. Once approved, the purchase order is dispatched by Strategic Procurement. MacBuy will ideally replace many of your needs for pCard purchases over time, and if you choose, for lower dollar items. Our objective is to load as many pre-negotiated vendor-pricing contracts for our go-live and to continue to add vendors based on your buying needs over the next 5 years. Items sourced through MacBuy contracts are settled upon matching the invoice items to the PO items, and the journal is created using the approved chart account provided during the purchase requisition approval stage (no re-approval will be

necessary as approval occurs once upfront for matching items). Further, purchases bought through MacBuy are settled to your account via the direct pre-approved journal meaning no pCard reconciliation required at your department level for these items and meaning no omnibus journals requiring mass approvals.

In addition, and recognizing not all researcher and faculty needs can be sourced through standard contract items within MacBuy, we will continue to have the ability for you to request new suppliers, and single or sole source items, a process now called Limited Tendering. An improvement from our current process, is that the Limited Tendering Form (LTFs) will be a fillable form that will also flow through workflow approvals allowing for an electronic process (print, hand sign, and scanning is still possible, however the option to go 100% electronic exists, which for some travelling faculty allows remote VPN/Mobile approvals). The LTFs will continue to route to the AVP (Administration) & Chief Financial Officer, me, in my role as the University financial compliance officer, checking for both legislative and funding compliance.

So essentially, MacBuy is a project to move our procurement of goods and services into a shopping cart buying system that has pre-negotiated pricing for your top vendor buying needs. The quality control is that Strategic Procurement is the pricing negotiator for catalogues in the system or connected to third parties through the system. The best pricing is achieved through collaborative buying contracts either Ontario wide or via higher education consortiums, one of our best partners on this initial endeavor has been the University of Toronto, helping us to source quickly a number of “piggy-back” deals.

Our control framework and compliance model is built into the system. Strategic Procurement has done the best pricing activity upfront and will monitor opportunities based on usage, sometimes meaning that they will negotiate deeper discounts for the top 30 items you buy from a particular vendor and negotiate standard discounts on less frequent catalogue items. The compliance is further enhanced by virtue of our system user role assignments, which will require training to ensure all understand the roles and responsibilities that come with buying goods and services for any account (whether operating or research). Further, the compliance model deploys the workflow approval model that keeps a well-documented approval trail of

the item you buy, where you approved it to be charged, and how it is journal settled via a matching item invoice. It deploys a two-way match system that is consistent with our G6 peers who have implemented already and is considered best-practice by the vendor based on its other North American higher education rollouts.

Our compliance framework goes further, by enabling ongoing non-contract buying needs with the integrated fillable limited tendering form that routes through workflow and continues to route to me for institutional level compliance checking, as required by our Policy and requested by our President and VPs given Limited Tendering is a key ongoing focus of the Auditor General.

Beyond these compliance measures, we are implementing this system at a time of national Tri-Council changes. Whereby our Tri-Council funding will now follow “house rules” meaning McMaster’s policies will apply to the research fund, just as it applies to operating, ancillary, capital and trust funds. This means that simplification is possible as house-rules are our standard existing policies. Underway is a policy gap analysis comparing the new simplified Tri-Council guidelines to our house-rules in order to assess any changes we might want to incorporate into our standard policies. The idea is one set rules for all accounts, save except FedDev funding at this time. FedDev funding will continue to require an extra level of review and it is anticipated the research offices will continue to support those needs.

Through our ongoing efforts to keep this project consultative, and to ensure people assigned roles are given not just system training but also roles and responsibility training, we aspire that this project is understood as a shared university-wide initiative that involves people both decentralized and centralized who are committed to communication and working together to make this tool work for us.

There is not a magic easy button for any system implementation. But, I believe that an ongoing open invitation to you, along with a commitment to listen to feedback and any concerns, along with a mutual agreement to be reasonable and responsible with decisions made by the Steering Committee, that we can really deliver MacBuy.

We are not the first in this case to go live with MacBuy, Western, Queens, Toronto, York, Ottawa have all gone this direction before us. And, we have consulted with them about their

lessons learned and the savings they were able to deliver to users. A number of our peers achieved the Jaggaer estimated annual savings by year 3 of the project. We have given ourselves a 5 year implementation objective, meaning a commitment to you our user community to track this project and a number of key performance indicators over this period. This includes tracking our savings against the Jaggaer estimated \$3.7 million savings per year possible, which are savings that accrue to those who use the contract pricing we have provided through MacBuy.

Overall, MacBuy will become the university's new procurement system, however we are not removing your pCard, nor flexibility to choose the goods and services you need. We are providing your best pricing options that will suite many needs but recognize not all, we also recognize that there will be those times when you just need to get something quickly in hand and desire to acquire that through your pCard. Continued use of the pCard will mean continued reconciliation, however we are hopeful overtime with MacBuy use the number of pCard purchase needs will diminish. Adoption at our peers has occurred simply because of ease of system use, settlement time-savings, and price savings. Hence, colleagues suggest to me that this system will sell itself over time.

That said I would like to finish my welcome with a quote by a Harvard Graduate, who was an author, speaker and organization consultant on change and transitions, William Bridges said,

**Change is an event but a transition is a process that you go through in response to change –** this is something that occurs at differing paces for individuals across an organization and in order to be successful with the change event, an organization needs to plan for these varied paces of adoption. I believe our 5 year transition plan respectfully allows for this, while ensuring ongoing flexibility remains.