

THE OFFICE SUPPLIES HASSLE

In 2002, Gordon Harrison took over as director of supply management for Iona University, a small private university in Des Moines, Iowa. Upon his arrival, he discovered that the staff was spending too much time processing requisitions for office supplies. Consequently, he wanted to develop methods of increasing the effectiveness and the efficiency of handling the acquisition of office supplies for the university.

The University

Iona University offers both liberal arts education and professional and pre-professional programs. The university's 120-acre campus is a self-contained community just outside Des Moines. The population of the university includes approximately 8,000 students and about 400 full-time faculty and staff representing over 50 different academic and administrative departments.

The Supply Department

Mr. Harrison directed the supply department. His primary responsibility was to manage the supply of materials requested by all university departments. Mr. Harrison's current supply staff consisted of himself and his secretary who assisted him in the daily supply activities. This involved the processing of approximately 1,000 requisitions and 3,500 invoices per month for over 500 suppliers. Mailroom personnel also reported to him, and were responsible for maintaining the office supply store, which carried over \$13,000 of office supply items in inventory.

Office Supplies and Requisitions

Mr. Harrison's research covering a 12-month period of the school's supply management activity revealed that \$57,000 was spent for office supplies—and that the requisitioning, invoicing, and related check issuing frequency for these purchases was uneconomical. Mr. Harrison discovered that much of the time spent maintaining the office supply store involved mailroom personnel. Their daily responsibilities included putting away items received, filling campus orders, and pricing each item for accounting. Since most standard items were held in inventory, supplies were immediately issued upon requisition at the service window.

Each month there were between 150 and 200 requisitions for office supplies and about twice as many invoices received and processed by supply management and accounting personnel. This corresponded to the distribution of over 50 checks per month to seven different office supply firms, and an abundance of follow-up paperwork. Additionally, the discounts received from these suppliers for similar items ranged from 10 to 35 percent off published prices.

In an attempt to relieve the mailroom and the accounting department of some of the more repetitive processing tasks, Mr. Harrison sorted and organized the monthly invoices by each department's account number before releasing them for payment. Thus, he initiated an effort to find ways of streamlining the procedures and reducing the costs for procuring, inventorying, and managing office supplies. At the same time, he wanted to reduce the labor time associated with the effort.

While considering possible alternatives, Mr. Harrison recalled the increasing demand for

space by the mailroom and the printing department. The office supply store occupied considerable space—and he wondered if it could be better utilized by one of these departments.

1. Identify and analyze the key issues facing the new director of supply management.

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