Ontario Nonprofit Network
Purchasing Study
Summary Overview of Findings

September 2014
ONN was seeking to identify areas to support its network in the area of improved procurement (purchasing) practices

ONN partnered with Round Table Procurement Services (RTPS), a firm specializing in procurement management for groups of organizations in the nonprofit sector

ONN and RTPS conducted a study to assess the potential opportunities and needs related to purchasing across the ONN network

All findings are not presented here; this document summarizes the high-level observations from the study. For more information, please contact ONN or RTPS.

This study sets the stage for future initiatives coming soon from ONN
Sources of Information

Overview of Study Participants
Survey Respondent Profile: 120 Responses

Primary Geographic Area

- Eastern Canada
- International
- Central Canada
- Western Ontario
- Northern Ontario
- Eastern Ontario
- National
- Ontario
- Southern Ontario

Full Time Staff

- 0-10
- 10-20
- 20-50
- 50-100
- 100-200
- 200-500
- 1000+

Annual Budget

- Not Sure
- 100k & lower
- 100k-500k
- 500k-1M
- 1M-5M
- 5M-10M
- 10M-25M
- 25M-50M
- 50M-100M
- 100M+
Summary of Responses
Pressures on Spending for nonprofits

“What are the biggest pressures on your organization related to costs and spending activities?” (1=Minor  5=Major)

- Rising costs / balancing revenue and expenses: 4.2
- Internal resource constraints: 3.7
- Stewardship and social responsibility: 3.1
- Donor/funder accountability: 3.0
- Government's increasing interest/ involvement: 3.0
Broader Public Sector Directives and Guidelines

- A majority of respondents (>65%) are not subject to BPS Directive
- Uncertainty among respondents is commonplace: they don’t know if BPS is applicable to them or if they are compliant
**How is Spending Managed at Your Organization?**

How well do you think your approach to purchasing management serves the needs of the organization?

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Needs improvement (1)</td>
<td>16%</td>
</tr>
<tr>
<td>Satisfactory (2)</td>
<td>23%</td>
</tr>
<tr>
<td>Good (3)</td>
<td>35%</td>
</tr>
<tr>
<td>Above average (4)</td>
<td>17%</td>
</tr>
<tr>
<td>Suits our needs perfectly (5)</td>
<td>10%</td>
</tr>
</tbody>
</table>

- **Effort is mostly decentralized**
- **Perceived “diligence” and need for verification drives the effort**

“I spend 10 hours a month (sometimes more) doing the physical shopping for items.”

“The unnecessary time I spend with vendors and/or waste time on the phone with sales reps who call me unsolicited is a really annoying part of my job.”
What are some areas of opportunity?

Please rate the following in terms of interest/usefulness to your organization.  
(1=No Interest   5=Significant Interest)

- Leveraged / group buying with other organizations: 4.1
- Collaboration with other non-profits to share experiences: 3.6
- Tools to help develop efficient purchasing process: 3.1
- Assistance in selecting and negotiating with suppliers: 3.0
- Pre-set supplier agreements: 2.9
- Tools to help develop procurement policy: 2.9

“Group buying IF it is easy, convenient, user-friendly.”  
“It would be nice to have a program to share resources.”

“Create a procurement tool which can be used by smaller agencies to document their procurement.”

“Collaboration is something that happens all the time -in numerous areas including purchasing- but formalizing that process doesn't do anything but 'formalize' it which can have more disadvantages than advantages if you are already getting the information you need.”

- Widespread willingness and desire to work together
- Group buying and information sharing… without over-formalizing it
Summary – Overall Observations

1. There is a clear desire to have well-managed spending, in part due to the growing pressures on the sector.

2. While some good practices are in place, there is often a lack of adequate resources available.

3. There is significant uncertainty and confusion surrounding many of the tools and resources available today.

4. There is a strong sense of community, uniqueness and opportunity to work together.

5. ONN is viewed by respondents as an organization in a position to help.
Moving Forward
Tips for Strategic Purchasing

1. Purchasing matters! Make sure it is a topic on the management “radar”.

2. Start to develop some basic Purchasing documents
   - For example – your ideal supplier selection principles and decision making criteria.
   - Tip: Consider the supplier characteristics that are important to you (e.g. social enterprise, local supplier, green). Use those as your selection criteria and add your own “weightings” to each

3. Learn more about Broader Public Sector (BPS) Procurement Guideline
   - Visit the government website at www.doingbusiness.mgs.gov.on.ca

4. Check out your options for support and collaboration
   - Stay tuned to ONN news!
Support Now Available & Coming Soon

- Toll-Free Purchasing Support **Hotline** for ONN Network: 1-877-742-9776

- **Discussion Paper** available upon request: *The Broader Public Sector Procurement Directive: Implications and Opportunities*

- **Coming up:**
  - ONN Conference, **September 17-18**
  - Broader Public Service Compliance Assessment Service: Understand how you measure up against the government guidelines
  - ONN Purchasing Program Website
  - More webinars & whitepapers
  - Network-wide supplier programs
Questions & More Information

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