

GROUP PURCHASING PROVIDES SAVINGS AND VALUE TO DePAUW UNIVERSITY

DePauw University is a private, co-educational, residential university situated in Greencastle, Indiana, just 45 miles west of Indianapolis. Founded in 1837, DePauw serves 2,350 students and boasts 36 major buildings on 655 acres, including a 480-acre nature preserve. *U.S. News and World Report* ranks DePauw University 8th among over 800 of the nation's liberal arts colleges as an undergraduate source of business leaders, and 7th in the nation for best value among liberal arts colleges. In order to maintain this prestige requires that DePauw be progressive in their efforts to continue to provide the highest quality education, not only for its students, but to provide service to the alumni, faculty, staff and the community-at-large.

Richard Shuck, Director of Business Services, noted that the purchasing processes at DePauw University were decentralized. In this environment, it was difficult to affect efficiencies, control costs and drive value and quality. The Purchasing Department struggled to be proactive in decisions being made campus-wide.

The challenge was to find a partner that could assist the University in improving efficiency, realizing cost savings and demanding high quality products and services. The solution: Horizon Resource Group.



The University: DePauw University, Greencastle, IN

The Problem: How to improve purchasing efficiencies; drive cost savings, while maintaining quality and value

The Solution: Group purchasing

The Partner: Horizon Resource Group

Horizon Resource Group is a national group purchasing organization (GPO) serving the education community. Horizon solicits national contracts on behalf of member institutions in order to affect the lowest prices offered for higher education. All institutions, regardless of size and location, benefit from group purchasing. This strategy is successfully being utilized in other industries, including healthcare.

DePauw University joined Horizon Resource Group in April 2003. Since that time, DePauw has enjoyed savings and value on an expanding portfolio of contracts such as office supplies, scientific products, wireless telecommunications, janitorial/sanitary products and furniture.

The furniture contract is an excellent example of how the partnership with Horizon Resource Group provided DePauw with savings and value. As a result of a student housing project, bids were requested for furniture and several companies responded. Following is a breakdown of the bid submissions:

Vendor	Project Cost	Freight
Tupelo Manufacturing	\$242,000	\$4,500
Lakeshore Manufacturing	\$208,000	Unknown
Adden/FCS Group	\$162,500	\$4,460
Savoy Manufacturing	\$150,500	Unknown
KI (through Horizon Resource Group)	\$146,400	Drop shipped to site

*Calderon Textiles also submitted a bid of \$114,000; however, it was determined to be incomplete and disqualified.

DePauw University had included KI on all previous bids for furniture, but KI was consistently higher than other bidders, and therefore not awarded the contract. By utilizing the nationally negotiated contract awarded by Horizon Resource Group and offered to all member institutions, KI was able to successfully bid and win the DePauw project. Likewise, DePauw University was able to enjoy cost savings from KI, while maintaining the quality products and services required by the institution.

Other benefits of group purchasing are realized in the service and support received by the institution. Through the national agreement with KI, and with the support of Horizon Resource Group, DePauw is able to command better service and accountability from the supplier. There is also opportunity for improved communication and identification of additional savings opportunities on other projects with furniture requirements.

Richard Shuck says, "By utilizing the Horizon Resource Group program, we are able to demonstrate to our Administration the value that Purchasing can provide to the University. We are no longer viewed as paper processors. Purchasing can contribute to the strategic planning and implementation of initiatives campus-wide, thus leading to an increased awareness and resolve to actively manage costs."

For more information on Horizon Resource Group, visit the website at www.horizonrg.com or contact Horizon Customer Relations at 866-531-3053.