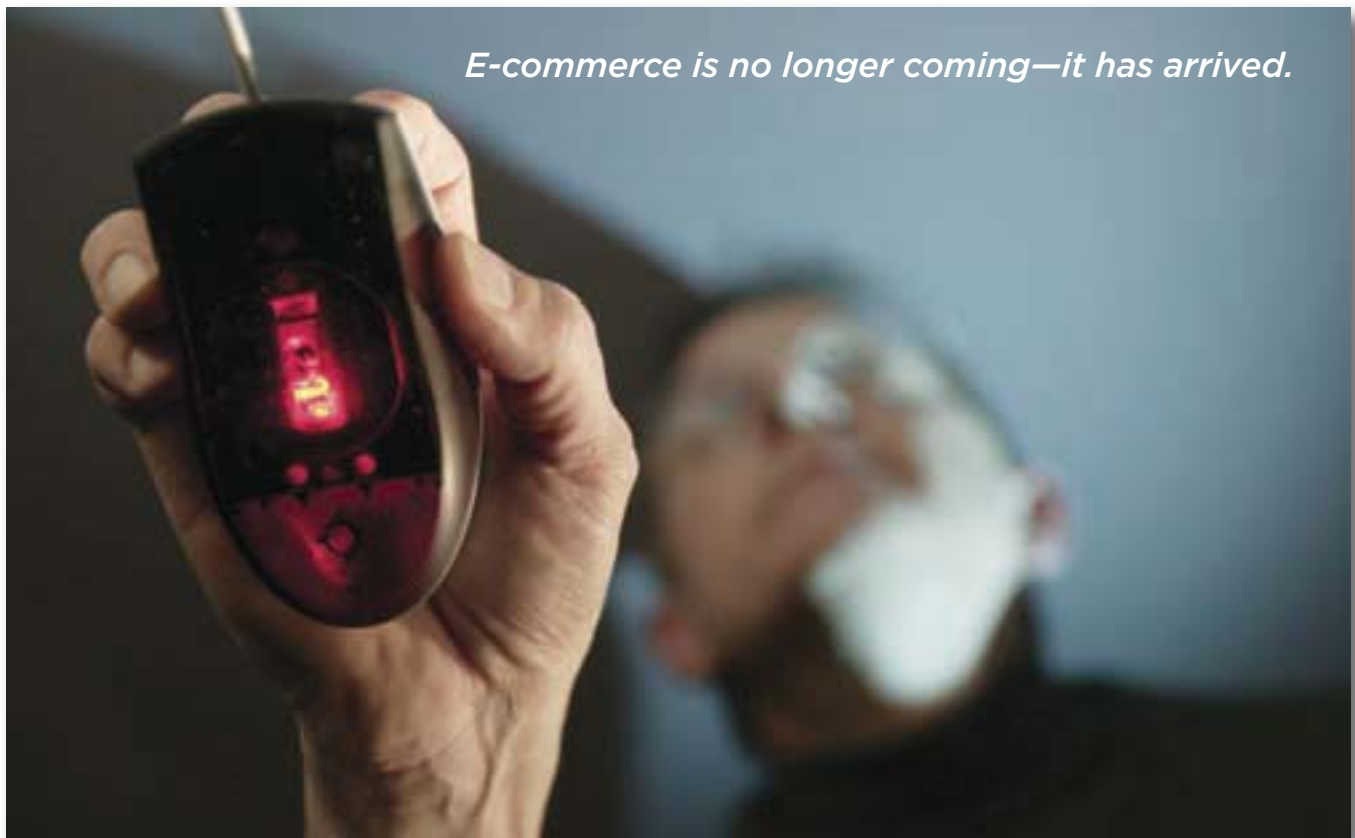


From Workstation to Classroom with the Click of a Mouse

By Rick Gay, RSBO



E-commerce is no longer coming—it has arrived.

Since July 2007, members of the Association of School Business Officials of Maryland and the District of Columbia have been able to shop for school and curriculum-related supplies through the ASBO MD/DC Web-based shopping platform.

This shopping platform comprises 35 catalogs with more than 450,000 line items offered by 225 vendors. Catalog vendors currently include Office Depot, Corporate Express, OfficeMax, School Specialty, and Lakeshore Learning. Scheduled for release soon are Fisher Scientific, Frey Scientific, Sax Arts and Crafts, Dick Blick, Grainger, Home Depot, Zep Manufacturing, BSN Sports, and Sportime.

ASBO MD/DC has also added 11 curriculum catalogs covering supply categories, including art photo, audiovisual, family studies, athletics, football, music vocal,

musical instruments, math, physical education, unique office supplies, technology education, medical and first-aid supplies, and library media. We also have seven catalogs listing textbooks and instructional media materials at the elementary, middle school, high school, and special-education levels.

We are working with Bowker, the global leader in bibliographic information management, to build a portal on the platform that will make the pricing of every textbook published available to users of the system.

Ordering Made Easy

ASBO MD/DC's vision is to provide a mechanism for all schools to access these price-advantaged contracts via a robust Internet online shopping site. Ordering can be done at the lowest level—the school, for example—eliminating

the administrative burden of requisitions and purchase orders. Modern payment methods such as bank purchase cards can simplify payment. Results could include reduced administrative expenses.

Between July 2007 and July 2008, the ASBO MD/DC shopping platform saw a 300% increase in the number of orders and a 223% increase in the dollar value. We have already surpassed our August 2007 numbers by 349%. In fact, the number and value of our orders for the first quarter of this year have already surpassed those for all of last year.

Cecil County, Maryland, began a pilot with 10 schools and expanded its pilot last fall with the rest. In addition to Maryland schools, school systems from Arkansas, Colorado, Illinois, Michigan, New York, Washington, D.C., Wisconsin, and Southeast ASBO (which includes Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, and South Carolina) are currently evaluating our system.

Several schools of the Archdiocese of Baltimore are already using the platform. Additionally, most of the Catholic schools within Baltimore County who use Title V funds have used our shopping platform for the past three years, as has the Talmudical Academy of Baltimore, the Torah Institute of Baltimore, and several charter schools around the country.

Controlling Purchasing Expenses

Federal, state, and local governments alone compose an annual market in excess of \$500 billion, and educational institutions spend more than \$115 billion annually procuring goods and services that run the gamut from textbooks, cleaning supplies, and buses to computer hardware and software, according to R. Michael Donovan (1999).

The advent of electronic procurement holds significant promise for educational institutions seeking to control purchasing expenses to ensure that as much money as possible makes it into the classroom. According to ASBO International, schools spend between 5% and 8% of their total budgets on supplies and equipment, but the nation's 91,000 plus public schools, spread among more than 16,400 local districts and squeezed between expanding enrollments and contracting budgets, have yet to reap the savings or convenience of the e-commerce revolution (Drysch 2000). The availability of this shopping platform now allows them to take advantage of that technology.

K-12 education expenditures are a significant portion of every state, county, and local budget. The costs of educational supplies and other school materials are a key part of those budgets. Several expensive administrative procedures are necessary to solicit, negotiate, and contract for those materials; then numerous purchase/delivery orders are processed to get the needed materials to the schools.

Large school districts with professional purchasing staffs are generally successful in negotiating reasonable

prices for these materials from the marketplace, whereas small districts typically cannot obtain the same advantageous discounts. Smaller districts proportionally have the same administrative expenses in providing these materials. Schools may have access to the contracts awarded by public-sector buying organizations that can offer better pricing, but the administrative effort of the purchase/delivery order is still required.

The ASBO MD/DC online shopping platform can lower administrative and operational costs by reducing requisition cycle time and administrative bureaucracy, reduce transaction costs per purchase order, and enable paperless transactions. It will also increase leverage with suppliers by improving control and communications with preferred vendors, providing better volume discounts and better reporting, and eliminating the costs associated with off-contract or "maverick" buying.

Online purchasing is cheaper than traditional approaches because electronic processing of purchase orders costs less than paper processing and frees up valuable buyer time for more productive activities. It's more convenient and faster than traditional paper-based purchasing. With the ability to browse the product/service list and create a requisition, buyers can resume their work without expending time and effort searching for missing information or tracking down specific people; processing errors can be virtually eliminated.

Our shopping platform is designed to harness the self-service power of the Internet, enabling our users to purchase online from prenegotiated contracts and supplier catalogs. The aim is to provide school districts with a one-stop shopping mall, or as we like to say, an educational Amazon.com. Most importantly, as our flagging economy continues to squeeze education budgets across the country, the process improvements afforded by the ASBO MD/DC shopping platform have resulted in considerable hard-dollar savings.

Myriad Benefits

Our shopping platform can eliminate the backlog in purchasing and accounts payable and can reduce the time needed for order processing and payment. The system also eliminates the practice of placing large orders at the beginning and end of each school year. School personnel can easily order supplies as they need them, confident that their orders will be delivered promptly.

Since we limit our purchasing to preferred suppliers and contracts, our online platform eliminates the technical and financial barriers to participating in an electronic catalog program, thus enabling small organizations to participate. The centralized marketplace enforces contract compliance. This new system makes it easy for school personnel to compare and select products. They can view detailed information for products with the lowest prices available.



One Maryland Eastern Shore school system wanted to know how much it would cost to start a lacrosse program. Using the ASBO MD/DC shopping platform, it obtained prices for all the necessary items and submitted a detailed budget to its board of education. On another occasion, a school system looking to stock a new school found everything it needed on the shopping platform. Unfortunately, it had spent the entire summer processing purchase orders for the same items, many of which were more expensive than on the shopping platform.

Because the ASBO MD/DC shopping platform enables staff to order directly from a computer terminal at work or at home, delivery of supplies can and normally occurs within 24 to 96 hours and the vendors receive their payments within 24 to 48 hours after shipping. Because of our quick payments to our vendors through our online shopping platform, we can reduce our current shipping costs from an average of 10% to 15% to anywhere from 3% to 6%.

We have now begun another pilot to expand the platform's use. Recently while reading an article in *District Administrator* about the cost of school supplies for teachers, it occurred to me that we could save teachers and even parents thousands of dollars by giving them access to the ASBO MD/DC shopping platform. We have approached our office and school supply vendors to ask them whether we could offer our contracts through the ASBO MD/DC shopping platform to teachers, and maybe even parents, to help reduce their out-of-pocket expenses in these tough economic times. They have all agreed.

By allowing our teachers to use the shopping platform they aren't stuck with one vendor and can select the lowest-priced item from among several vendors. Through a principal's ASBO MD/DC annual membership, teachers could take advantage of the discounts we offer in our catalogs, saving hundreds of dollars. We have piloted this idea at one of our local elementary schools.

When teachers order from the catalogs, their supplies are delivered directly to the school and are paid for with

their own credit cards. Over the past several weeks, we have also put their classroom supply lists on the shopping platform, thus allowing parents to order their student classroom supplies at a considerable savings. Using the ASBO MD/DC site could potentially be a one-stop shop across the state for teachers and parents to get what they need for the classroom while substantially reducing their out-of-pocket costs and eliminating the time and expense of going to multiple stores.

There is no longer an infinite amount of money available to education; rather there is a finite amount, which must be used by the most efficient and effective means available. The success of this program will allow us as school business officials to return valuable resources to the classroom.

References

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Rick Gay, RSBO, is purchasing manager for Baltimore County Public Schools, Baltimore, Maryland. Email: rgay@bcps.org

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