

Office Supply Cost Containment Program

Town Hall Sessions
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What is the Office Supply Cost Containment Program?

- The University implemented a cost containment program in September 2010 to reduce office supply costs.
- Before then, the office supply ordering process allowed departments to order any item from the Office Max full line catalog of 13,000 items. This created product proliferation that significantly reduced the University's pricing discount. In Fiscal Year 2009 -2010 the University ordered over 10,000 different items.
- As examples of product proliferation, the University had purchased the following styles and types of items during that fiscal year:

729 different styles of pens

160 different post-it notes

792 different binders

432 different markers and highlighters

638 different file folders

How does the Program reduce costs?

- The program reduces costs in the supply chain and those costs are passed on by Office Max. Examples include reduced inventory, less back orders, and less warehouse pick time.
- The top twenty five items are automatically substituted to a less costly product equivalent.
- By curtailing the number of contract items available (currently 2,688) Office Max is able to provide greater volume discounts on those products.
- Since September 2010, the monthly costs savings has averaged \$45,506.00 for an average annual savings of \$546,075.00.