

Low Value Spend AI Solution

A KPMG Service for G-Cloud 15



Tail spend challenges

For a typical organisation low value transactions represent

15-20%

of the total

Fragmented Buying

“High volume of small transactions across departments lead to inefficiencies.”

Limited Visibility

“Hard to track compliance and aggregate spend data.”

High Process Cost

“Staff time spent on approvals and procurement often exceeds the value of the purchase.”

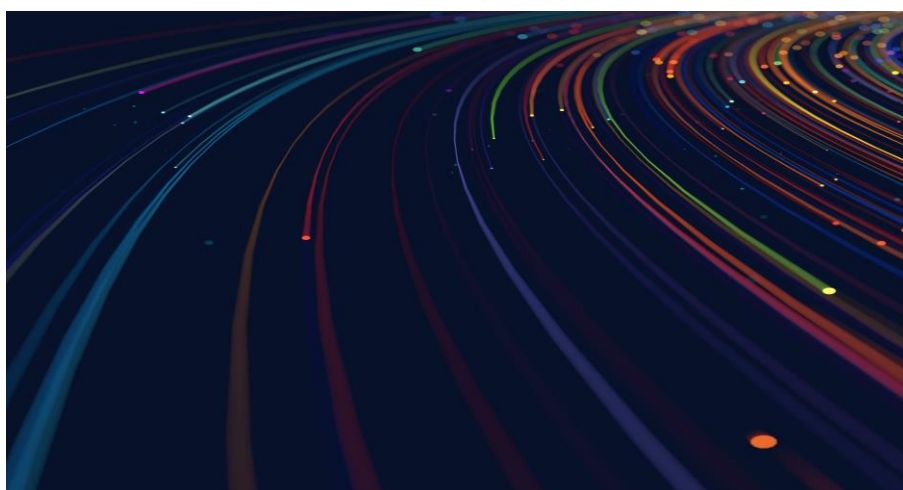
Value for Money Risk

“Lack of competitive sourcing for low-value items.”

“Missed opportunities for leveraging economies of scale”

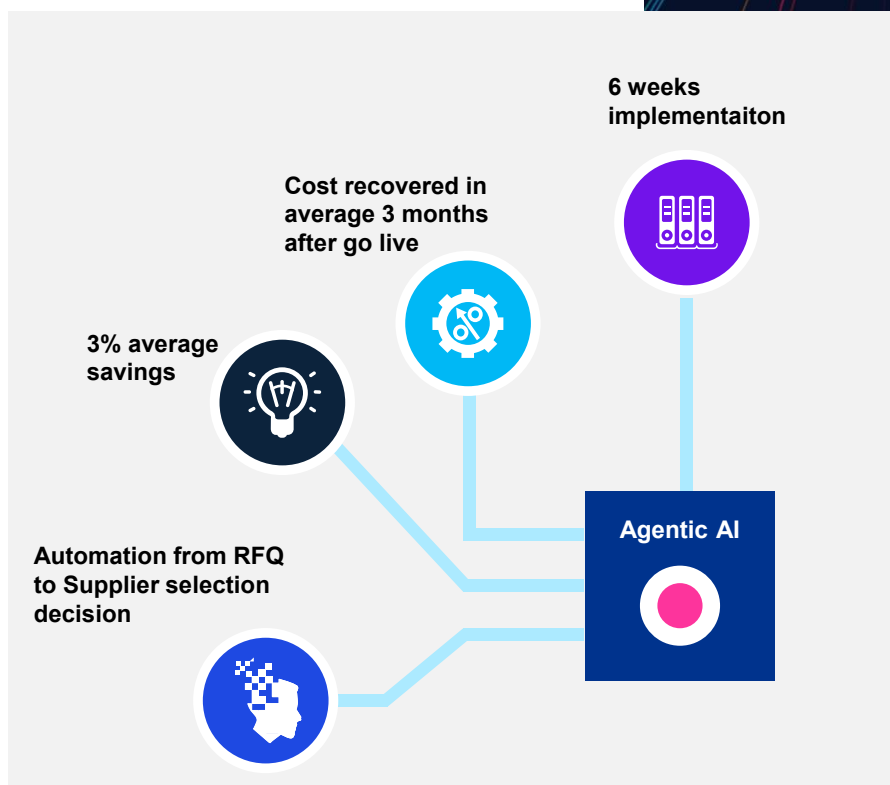
Current issues and risks

- Administrative burden diverts staff from core NHS priorities.
- Increased risk of non-compliant or poor-value purchases.
- Difficulty in achieving savings targets.



AI solution for low value spend

KPMG has partnered with a tech solution provider to address the challenges around tail end spend that can offer the following benefits



Rated 4.2 out of 5 by suppliers

7 out of 10 sourcing event result in a saving

Average procurement cycle time reduced by 2 weeks

Full transcript and record of supplier negotiations for transparency

implementation Support Led by KPMG

Scoping

Business case development and confirmation

- Baseline confirmation (including scope for quotes/3 quote thresholds & campaign areas to target)
- Clarification and estimation of benefits (benchmarking & High/med/low estimates)

Scope development:

- Scope out scale of deployment across organisation/s (number of users) human efficiencies
- Supplier prioritisation and lever/opportunity mapping (before system in place, what are targets for full deployment. What is the goal of using this system – what categories, thresholds, governance, departments. Roll out plan.)

2 weeks

Pre Implementation

Path clearing and acceleration activities

- Supplier detail normalisation and confirmation (supplier awareness & access)
- Benefit definition and calculation methodology (Calibration of savings approaches)
- Identification of relevant interfaces (can integrate with ERP, email, wider S2C systems)
- Develop supplier communication templates
- Drafting queries in line with regulations and organisational policies
- Design and configuration workshops

2 weeks

During Implementation

Support and Assist

- Supplier communication planning (comms to suppliers, procedures & internal comms, populate the system with list of suppliers)
- Setting and review of thresholds
- Email integration
- Change Management (Including governance & structure) and stakeholder engagement
- Build and Go-Live prep
- User training

4 weeks

Post Implementation

Review of success and implementation

- Define and agree benefits achieved
- Review impact on baseline (cost and effort)
- Analysis of implementation & benefits recognition, post campaign reviews included
- Future targeting and positioning at levels including category approaches to savings programmes

2 weeks



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