Work-from-Home and the Growing Shadow Office Supply Problem

"What the hell are you doing here? You don't belong here." If this slightly modified lyric from Radiohead's 1992 classic, *Creep* sounds like your internal monologue when reading office supply spend reports, it might be time to get your arms around the problem in the new year. Office supply spend creep is a rising concern for CFO's and Procurement leaders today.

Since the shift to a work-from-home environment, it's become commonplace for employers to allow their employees to order office supplies for their home. While most employees do not take advantage of the situation, we are finding increasing cases of office supply spend creep. Typically, if an employee has a P-Card or access to a corporate account for office supplies, they will order reasonable items that they used to be able to get at the office such as pens, toner, paper, etc. However, there are many instances in which an employee will order items for home that they would never have ordered for work such as expensive headphones, over-the-counter medications, webcams, customized mousepads, and even clothing. It's such a prevalent issue that every office supply project we have worked on since COVID began has uncovered instances of rogue purchasing.

As we look forward, there are many things organizations can do to mitigate spend creep from a process and policy standpoint:

1. Take the time to review your current office supplies contract, or if you do not have a contract, begin the process right away. If your contract contains price increase language, make sure that you understand it and that the supplier has been adhering to it.

2. Do your due diligence before addressing employees about the issue. Ask for a purchasing report for the past 12 months from all of your office supply partners inclusive of cost per sku, amount of skus purchased, and total spend to ensure per-unit pricing is consistent with agreed-upon rates.

3. If you do not have a core-list of items (items allowable for purchase with negotiated rates) that make it crystal clear what employees can and cannot purchase, consider creating one based upon spend and need. The list should include only necessities. Conveniently, many suppliers will help with this activity.

4. Once you're sure the house is in order, audit P-Card holders and/or employees with access to the corporate business accounts to verify that only a select few authorized employees can purchase items. Turn off the employee's P-Card and/or access to the business account if they do not need to be ordering.

5. Finally, establish a corporate policy with guidelines clearly spelled out.

Lastly, due to the supply chain issues affecting the entire business community, prices have increased on many items. Therefore, your spend would have most likely increased even without instances of spend creep. It is best to account for that when budgeting for the future.

Budgeting for office supplies in an ever-changing work environment will be tricky. If you have employees returning to the office, your personal printer toner spend may go down but your multi-functional device toner spend may go up. Your Tylenol spend may go down but your sanitizer spend may go up. Either way, follow these five steps and you will be well on your way to controlling your office supply spend.

Dave Anderson
Director, Strategic Sourcing
Facilities