



## 6 Key “Product” Questions to ask at the start of a Procurement Project

- 1. Is the product seamlessly integrated into the back office financial system?**

Poor or non-existent integration to the back office financial system is the single biggest reason why procurement projects fail to deliver anywhere near the desired benefits. There has to be a “single source of truth” in the data. If a supplier account is suspended it must be disabled from purchasing immediately; if budget is exceeded then workflow rules must kick in immediately. Real time system integration ensures success. This will be a daily state of best practice long after the agonising product functionality shoot-out in the selection process.
- 2. Does the product enforce business process best practice?**

You most likely don’t want to implement a system that just replicates the current business processes. There is the very high probability that you will achieve nothing other than a systemic adoption of inefficiencies and poor practices. Look for a system (and a business partner) that will coach you through the business process improvements necessary to realise the quantifiable benefits of the project.
- 3. Will the product move the effort forward in the life-cycle?**

Currently the majority of work in the procurement lifecycle including financial allocations is done at the end of the process cycle during supplier invoice entry. If this was performed automatically at the beginning of the cycle at time of requisition then the financial data would be timely, accurate, and consistent and have reduced human input.
- 4. Will the product reduce human error in data capture?**

Accurate codifying and allocation is the quickest way to drive down unnecessary administration and error handling. Wherever reasonably possible the product should only require the basic information to be entered by the end user and all other cost allocation, approval workflow, supplier selection, delivery address details etc should be automatically completed by business rules in the system. One of the biggest areas of contention in the implementation of procurement systems is the internal catalogue issue. Item catalogues are pivotal in guiding users to selecting the correct product from the correct supplier. The creation and management of catalogues can be a significant commitment but there are big paybacks in data integrity and contract adherence.
- 5. Will the product eliminate administration?**

Unnecessary paper handling, keying of data and seeking retro approvals are just some of the tasks that are costly and can be avoided. Without compromising internal control, if the procurement product is able to eliminate administration, the benefits will immediately start accruing.
- 6. Will the product lure end users to use it?**

The biggest challenge is frequently to get the end users to choose to use the system and thereby guide them automatically through the process of adhering to the rules. Ideally the product will be easy to use and uncomplicated in its interactions with the general user community.