



Procurement Technology Selection Consideration



Things to consider when embarking on a project to select procurement technology

	Spend Analytics	Sourcing and Auctions	Contract Management	Supplier Management	Procure to Pay
Stakeholders	•Procurement	•Procurement •Suppliers (few)	•Procurement •Legal •Executives •Suppliers (many)	•Procurement •Process owners •Executives •Risk •Suppliers (many)	•Procurement •Business users •Executives •Suppliers (All)
# of processes	•Low	•Medium	•Medium	•High	•High
Complexity	•Low	•Medium	•Medium	•High	•High
Control point?	•No	•No	•Yes	•Probably	•Yes
Data dependency	•High	•Low	•Medium	•High	•High
Legacy process / data debt	•N/A	•N/A	•High	•High	•Varies
Proc Ops impact	•Medium	•Medium	•High	•High	•High
Overall Change	•Low	•Low	•Medium	•High	•Very High
Minimum Requirements	<ul style="list-style-type: none"> •Spend data •Category tree structure •Manpower to teach the classification engine 	<ul style="list-style-type: none"> •Documented process steps •Questionnaires and templates •Different contracts you want suppliers to review (NDA/MSA) •Approval workflow 	<ul style="list-style-type: none"> •Contract types •Contract meta data •Contract relationship structure •Template agreements •Clause library •Approval workflow •Machine documents •Legacy contract meta data 	<ul style="list-style-type: none"> •Supplier list •Supplier owners •Classification method •Risk process •A list of due diligence tasks •Process maps •Due diligence task owners •Approval workflow •Supplier KPIs •Exception processing 	<ul style="list-style-type: none"> •Supplier wave plan •Punch-out suppliers •Catalogue suppliers •P2P Users •Transaction transfer methods •Exception rules •Invoice processing methods •P-Card processing partner (if any)

Recommended minimum steps

Selection process steps for successful supplier selection

1. Selection process steps for successful supplier selection

- a. Document process(es)
- b. Develop current and future process maps
- c. Document process participants
- d. Establish process stakeholders / owners
- e. Determine process data inputs / outputs
- f. Verify control considerations
- g. Build process reporting requirements

1. Achieve alignment

- b. Form cross functional working group based on process stakeholders
- c. Present process documentation
- d. Document objections and new requirements
- e. Develop change management plan

1. Develop epics/user stories

- b. Steps needed for each module
- c. Real life examples of what is expected of each module
- d. Specific things to show during a demo

4. Develop technical requirements

- a. Integration points
- b. Hosting requirements
- c. Single or Multi-tenant solution
- d. Information security / business continuity

5. Complete RFP, including

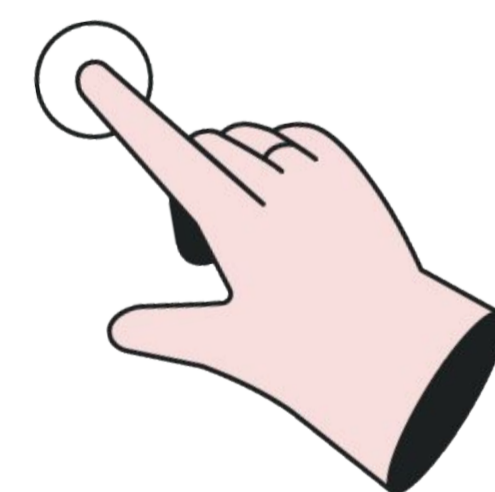
- b. IProcess documentation
- c. User stories and steps
- d. Technical requirements

6. Down-select participants

- a. Autoscore RFP responses
- b. Check informal references
- c. Allow RFP respondents to update pricing (based on your feedback)
- d. Run deselected participants by working group
- e. Send compliance questionnaires to down-selected participants

7. Demo day

- a. Limit supplier participants
- b. Focus demo agenda to user stories
- c. Document feedback from all participants



8. Develop technical requirements

- a. Select one or two suppliers to negotiate with based on
 - i. RFP Scoring
 - ii. Demo Scoring
 - iii. Pricing
 - iv. Rated compliance questionnaires
- b. Negotiate final agreement

