e-Procurement Systems:

Key Considerations in System Selection

Your guide to the fundamental criteria in choosing a suitable e-Procurement system for your business.

INTRODUCTION

> *What do you wish to address by having an e-Procurement system?*

Digitalisation has affected many business areas--this includes procurement. Legacy systems with manual methods can be prone to discrepancies and inefficiencies companies may not be aware of.

More and more businesses have considered adopting e-Procurement as part of their digitalisation plan and they have good reason to do so. Companies who have embraced e-Procurement have benefited from having **a system that resulted in improved spend visibility, better productivity and reduced cost.**

Since different e-Procurement systems have features that cater to different needs, selecting a system that meets those needs is crucial. Before narrowing down your options, ask yourself "what areas do you wish to address by having an e-Procurement system?

These areas could include automating the procure-to-pay process and improving compliance. Regardless of what your specific procurement needs are, there are **general criteria that one should take into consideration** when it comes to choosing a system.

1

YOUR COMPANY'S PROCUREMENT NEEDS

The overarching objective of adopting a system is to make your procurement process more seamless. With a lot of systems available in the market, **selecting a system that best meets your procurement requirements can be a game-changer** in driving down costs and generating better efficiency.

The most basic requirement of an e-Procurement system is business functionality. At the very least, **the system should be functional to address your present and future business needs.**

Understanding your business's objective and the minimum requirements needed will inform you of the specifications you should look out for in your new system.

Here are a few guiding questions that will help you identify the suitability of the system with your existing needs:

Features and functions:

- What's the biggest pain point you are trying to address with the system?
- What are the mandatory aspects the system must possess?
- Does the system have features that can support your existing procurement flow process and policies?

Budget:

- How much is your budget?
- How many users are going to be using the system? This will be tied back to your budget since most systems have packages that correspond to the number of users

2

INTEGRATION CAPABILITIES

When it comes to the system itself, seeking a system that is functional, scalable and flexible to support your growing business needs should be your main aim. An ideal system thus would be one with integration capabilities.

Integration has become one of the most essential elements of an e-Procurement system for great reasons. With businesses using a slew of different software for other business needs like accounting and HR, **integration ensures interoperability of different systems that share similar data.**

To further explain the benefits of integration, we will be looking at an e-Procurement integration example with an accounting system.

There's a high chance SME companies are currently using accounting systems such as Xero, QuickBooks, Sage or AutoCount. **Integration automates data entry** between your procurement and accounting system to ensure the **consistency and integrity of data.**

With data integrity maintained, the **risk for errors is reduced and the accuracy of data is kept consistent across the board**.

e-Procurement software Integration capabilities are not just limited to accounting systems as shown in the above example. It's also advantageous to have a system that has punchout capabilities, like **ADAM** that can be connected to any existing Enterprise Resource Planning (ERP) systems.
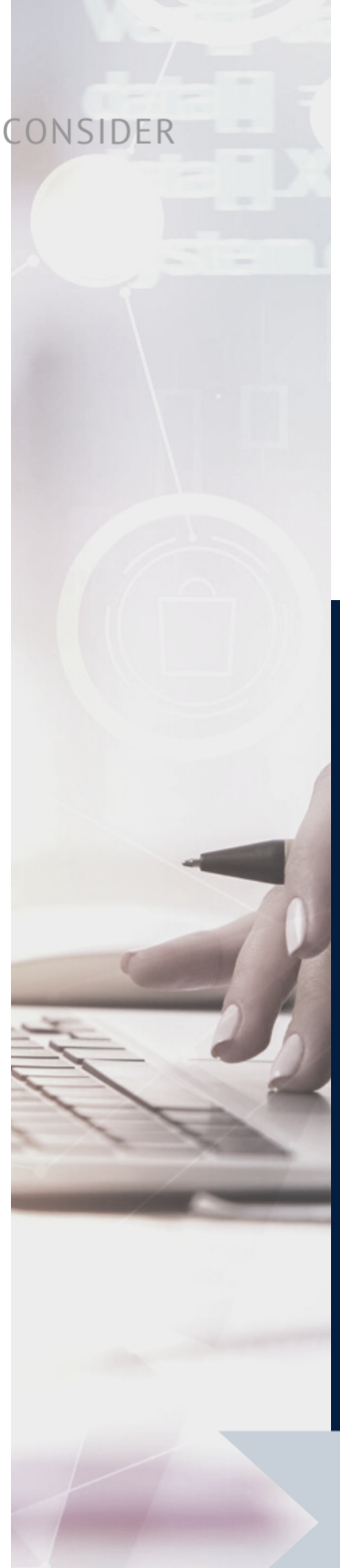
3

YOUR STAKEHOLDERS

Stakeholders are an important factor to consider because these individuals will be those who are driving the adoption of the e-Procurement system in your company and the users who will be using the e-Procurement system once it's been implemented.

There will be two stakeholder groups you should be considering: **your project champion** and your **technical system owners.**

The stakeholder championing the adoption could vary depending on your business's needs and implementation goal. Note that the **stakeholders shouldn't be limited to project champions or those who are in procurement.**

Identify stakeholders that are a part of your procurement process such as your finance department for instance who will both utilise and benefit from the implementation of your e-Procurement system.

#4

USER-FRIENDLINESS

User-friendliness expands beyond having a system that looks good and is easy to use. The **immediate and long-term effects of a good system are extensive throughout the procurement process**.

> " *User-friendliness plays a big role in ensuring high user adoption which ultimately contributes towards improving your procurement KPIs.* "

The term user-friendliness itself can be subjective but there are several common attributes for user-friendly interfaces including **simple, clean, intuitive and reliable.** (Source: TechTerms.com)

Simple

The 'simple' attribute depicts an interface that is straightforward and not complicated. The complex nature of the procurement process involves a lot of moving parts and data. An excellent system that has a great interface will **simplify and visualise complex information** into a more accessible and comprehensible manner.

Clean

A 'clean' user-interface makes it easy for users to navigate and locate different tools and options, allowing users to be more efficient and perform better.

Intuitive

Different users may be inclined to have different levels of user-friendliness and here's where the 'intuitive' attribute presents itself. A good practice is to identify **how your users expect to use the system** and whether the system is able to deliver and meet their expectations for them to utilise it intuitively.

Reliable

Finally, a user-friendly system **should be reliable enough to not malfunction or crash.** A system that lacks reliability will affect a user's experience which can affect the adoption of the system.

Ensuring the system you decide to adopt encompasses all the user-friendly attributes listed above plays a big role in avoiding cost wasted over investing in a system that no one will use. Hence, user-friendliness plays a big role in ensuring high user adoption which ultimately contributes towards improving your procurement KPIs.

5
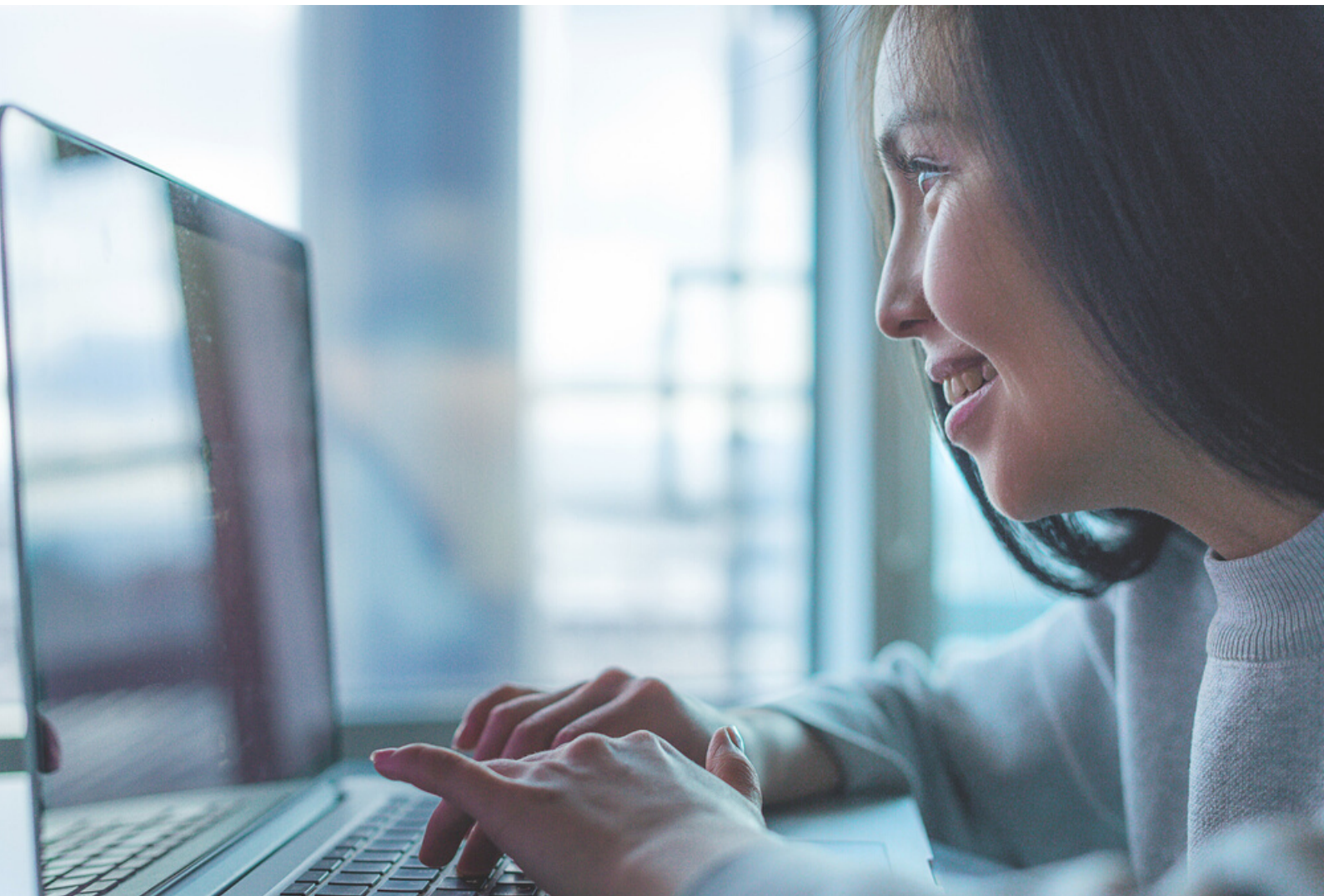
SUPPLIER NETWORK

Different industries will have different product and service requirements. Having a **network of suppliers that are able to meet your requirements and address your niche challenges** plays a big factor in the success of your procurement team.

Hence, the supplier database of your e-Procurement system provider should consist of **suppliers that are vertically aligned with your procurement needs**.

Next, take into account how the system lets you access these suppliers. Generally, it will be through catalogues on the system. But having an extensive supplier database without good catalogue management provides little to no benefit for your stakeholders.

An **effectively managed catalogue ensures the quality of product information** such as prices are maintained and updated.

If you have an existing list of suppliers, it will be beneficial to consider a provider who is able to onboard your current suppliers into the system.

Supplycart's proprietary e-Procurement system, **ADAM** has a **hyper-localised supplier database of over 20,000 suppliers** that cover a wide range of products and services for your business's needs.
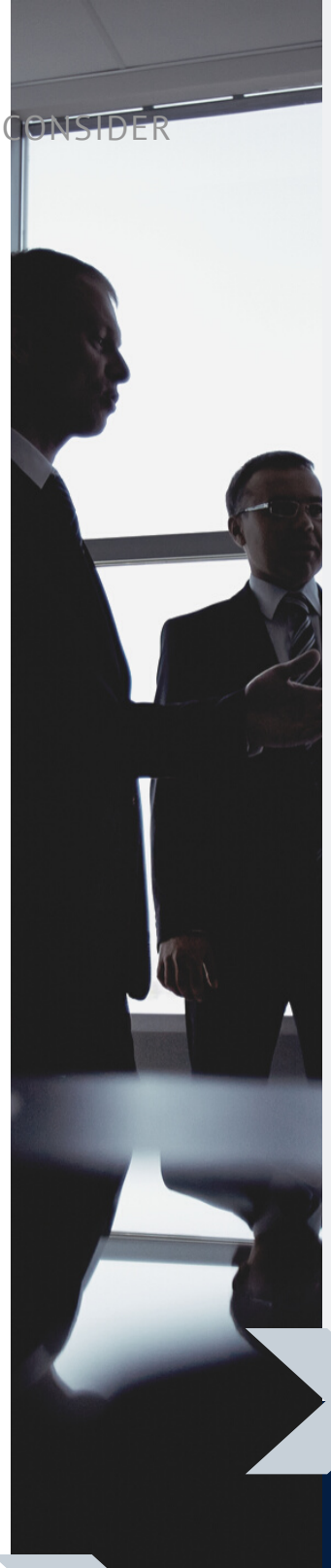
SELECTION CRITERIA CHECKLIST

In the market for an e-Procurement system? Use this checklist to guide your selection process.

WHAT ARE YOUR KEY DRIVERS IN ADOPTING AN E-PROCUREMENT SYSTEM?

1.
2.
3.

#1 YOUR COMPANY'S PROCUREMENT NEEDS

- ☐ What are the mandatory requirements of the system?
- ☐ What are the pain points you wish to address with the system?
- ☐ How much is your budget?
- ☐ How many users will be using the system?

#2 INTEGRATION CAPABILITIES

- ☐ Is the system flexible and scalable to support your growing business needs?
- ☐ Does the system have integration capabilities with your existing business systems?

#3 YOUR STAKEHOLDERS

- ☐ Who are your project champions?
- ☐ Who are the other technical system owners?

#4 USER-FRIENDLINESS

- ☐ Is the system's interface simple, clean, intuitive and reliable for your users?

#5 SUPPLIER NETWORK

- ☐ Does your system provider have a good supplier database?
- ☐ Are the suppliers in the database capable of meeting your company's requirements?

CONCLUSION

Process, people and platform. These three P's summarise the considerations that will guide you towards finding a suitable system that will make your business's procurement more seamless.

By digitalising your existing process through a system, your stakeholders will be able to work **more efficiently, gain improved visibility and minimise errors**. These contribute towards cutting cost and saving time-- which **reflects positively on your procurement's KPI.**

Supplycart provides businesses with an intuitive e-Procurement system experience through ADAM. With features to support your procurement flow, integration capabilities and access to a wide supplier network, ADAM is a suitable e-Procurement system for both growing SMEs and large corporations.

ABOUT SUPPLYCART

Supplycart is Malaysia's B2B e-Procurement platform that helps businesses achieve efficiency by impacting the way they obtain and manage their procurement needs.

Supplycart has helped over 1,800 businesses nationwide by enabling them to adopt technology to digitalise their procurement.

Through it's core offering of ADAM, Supplycart's goal is to work alongside businesses so they can procure more efficiently, thus saving them time and money while putting back value into what truly matters for their business.

Procurement made easy with Supplycart.

ABOUT ADAM

ADAM (**Analyse, Digitalise, Automate, Manage**) helps businesses to innovate and digitalise their procurement through a centralised cloud-based platform.

ADAM provides businesses with a seamless procurement experience by giving them improved spend visibility, budget controls through PO compliance features and a dedicated system that helps you manage multi-branch catalogues.

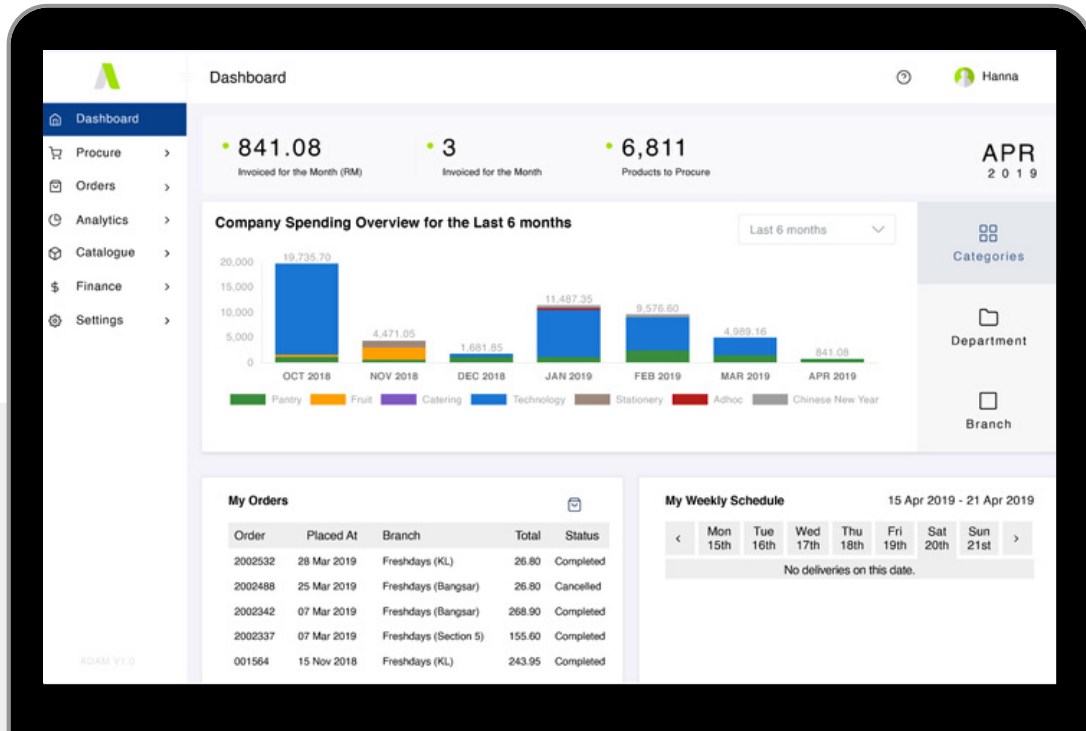Re-imagine the way you procure with ADAM.

Book your FREE ADAM demo here:
https://www.supplycart.my/aboutAdam

ADAM
Procurement Made Easy

Simplify Your Business's Procurement

Supplycart simplifies procurement for businesses through a single platform

- **Online cloud-based platform**
  Digitalise and simplify your company's procurement processes

- **Sourcing made easy**
  Access our database of over 20,000 products and services with over 700 verified suppliers

- **Vendor management made easy** with consolidating all your vendors within one platform

Features

Customisable Catalogues

PO Control & Blanket PO Feature

Contract Pricing Feature

Spend Analytics & Report

Multi-user and Multi-branch Feature

PROCUREMENT MADE EASY

Written by Mariah Jamil

TO LEARN MORE ABOUT SUPPLYCART:

🌐   www.supplycart.my

✉   hello@supplycart.my

📞 +603-7887 0110

🟢 +6010-233 0210

Freshcart Grocer Sdn Bhd (1173587-A)
MOF (Eperolehan): 357-00022 95757