5 Steps to Get Started with eSourcing Software

Next-gen platforms empower procurement

In a data-driven world of machine-learning, predictive analytics and blockchain automation, technology has become a crucial tool for success. It has developed to the point that organizations must adopt technology to remain competitive, or otherwise risk falling behind to the smarter, more efficiently run opponent in the field.

Next-generation sourcing software has evolved to offer deeper data analysis, reporting, and powerful workflow automation, delivering higher impact and more value to their organization. Early adopters in procurement have been able to meet strategic goals by leveraging technology to eliminate low value manual tasks from their bid and RFx process.

The Metropolitan Transportation Commission in San Francisco was able to shorten their project times by as much as 67%.

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Utilizing an esourcing software platform should free up resources, both people and costs, and give you insights so you can refocus your efforts on strategic decision making, and not administration.

Before it all begins, the question for many is: How do I get started? Here are 5 tips to kick-start your project in the right direction:

1 Identify current challenges for all stakeholders

What are the pain points your team experiences day to day? It is important to recognize the issues and concerns that cause team members anxiety and frustration as they carry out sourcing activities. In doing so, it is pertinent to get buy-in from all stakeholders - procurement leaders, technology leaders and operational end users alike. Identify the team's vision for procurement and the strategy moving forward, discuss the activities that are functioning well and also consider the frustrating or challenging parts of the day-to-day job. Ask questions such as what is the most time-consuming and frustrating part of our sourcing process? Or how could software make these tasks easier? Furthermore, if your organization uses an ERP (Enterprise Resource Planning) system, identify areas of the sourcing process that are tedious and could be more valuable if automated. Lastly, identify the team's current KPIs and determine how they align with future goals or industry benchmarks.

> *I can say - without a doubt - that the key to a successful implementation is the buy-in from procurement staff on the new platform. This is usually achieved when staff understand the eventual impact of the new platform, and the ROI attached to the process change.*
>
> – OMAR SALAYMEH, DIRECTOR OF CLIENT SUCCESS AT BONFIRE

Change is hard work, and many people are naturally inclined to prefer 'the devil they know, to the devil they don't.' Therefore, by working with team members who are involved in the sourcing (and greater procurement) lifecycle, stakeholders will feel a sense of ownership toward the project and will recognize the benefits and values when it comes time to select and implement the solution.

Questions to Ask:

- How much time are buyers spending on finding and collecting documents, emails, and Excel files to support audit requests?
- What KPIs are important to each stakeholder?
- What improvements can be made to day-to-day activities so that higher value is provided to the organization?

Once input is gathered from all stakeholders, a business case can be placed together that identifies a strategic procurement plan and activities that automation can support. Furthermore, the needs analysis should identify gaps in current tools that can be addressed and supported by sourcing software. For example, how much of your evaluations are required to be completed in Excel sheets offline? It is possible for this process to be automated with the proper tools.

2 Build a wishlist that is flexible

If your team plans to make a list to help evaluate systems or put an RFP together, don't be set in stone about what you 'think' you might need in terms of features. Instead, fully understand your current problems and pain points and be prepared to communicate them to the software provider. It's important to keep in mind that just because you are doing a method one way, doesn't mean you should continue to do it that way, or automate that specific process - there may be a better way. The providers you speak with are experts in the software space and work with sourcing and procurement professionals daily. Therefore, they should be able to make recommendations on features, functionality and esourcing modules that are right for your organization.

Your team may prefer to have a baseline checklist of standard features and capabilities that can be used as a reference when evaluating solutions. If this is the case, the below checklist is an excellent starting point and highlights some items that you may not have thought of. Keep in mind, however, that it is advised to ask open ended questions to allow providers to explain where, how and why they work with your process:

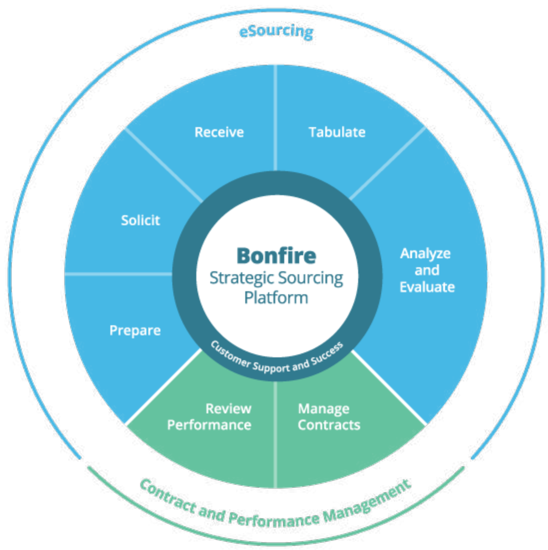
Basic Bidding	
Online vendor registration	●
Posting and receiving documents and data online	●
RFx bid templates	●
Structured data intake	●
Automatic tabulation, scoring, and summary of proposal data	●
Set customized and weighted price and non-price scoring criteria	●
Deep Evaluation	
Customizable multi-phase, multi-reviewer evaluation	●
Sealed bids and permission-based information visibility	●
Grouped evaluation committees with customized routed information	●
Side-by-side evaluation and scoring of responses	●
Consensus scoring and highlighting	●
Embedded conflict of interest / NDA sign-off	●
Conflict of interest / NDA sign-off	●
Easy reverse eAuctions	●
Instant "what if" price analysis and optimization	●
Compliance and KPIs	
Support for industry best practices	●
Documented audit trails and compliance tracking	●
Deep insight into team performance	●
Real-time reporting on KPIs	●
Tracking and alerts for expiring documents such as certificates and credentials	●
Integration and Support	
Detailed integration plan and fast uptime	●
24 hour phone, email and chat support for buyers, evaluators, and vendors	●
Client follow-up and quarterly check-ins to advise how to best use the tool	●

3 Define the scope of work

Once your core challenges are identified, leverage your needs assessment to determine the scope of work. You may prefer to start small as a proof of concept and focus only on posting bids or accepting submissions digitally. Or you may be required to automate the entire sourcing lifecycle.

To help identify the scope of work, consider the following questions:

- Are you looking to move from paper to digital activities?
- Are you already working in-the-cloud or using an ERP for some activities but need to deepen sourcing, evaluation and vendor management capabilities with additional tools?
- Do you simply need a bid-submission platform or are you looking for something more sophisticated with a procure-to-pay module?
- How many bids do you do monthly or annually?
- What kinds of projects do you run?
- How many departments are involved in the sourcing process?
- What are your reporting requirements for the year?



4 Research software providers with user-experience in mind

With the world-wide-web at your fingertips, this step is less cumbersome than it once use to be. That said there are plenty of options for eSourcing solutions and each tends to have a unique value proposition for the end user. So, when considering different software, keep your list of criteria handy (see section "Build a Wishlist that is Flexible" below) and ensure you make the right decision for you.

When researching sourcing software, keep these questions in mind:

- What type of training and support is offered?
- Are there testimonials from other users of the software platforms?
- Does the provider offer a detailed implementation plan for users?
- Will the software scale with your organization?
- What is the software's track record for user-adoption?
- Will stakeholders (buying team, evaluators, vendors) be able to use this?
- Is this platform design going to make users' life easier?

When speaking with different providers, keep the user experience top-of-mind. After all, the software is only a powerful tool if it is utilized fully. Consumer technology has set a high standard for user experience, and you should expect no less of your sourcing software.

Ask for a demonstration of the software so you have a better idea of how it can address daily activities and deliver on the KPIs your team determined in step 1. Also, gain an understanding of what is required to get the sourcing platform up and running. Inquire if the software provider has a detailed implementation plan for your launch and how long it typically takes until your team could be using the system independently. The implementation plan should include scoping and formalizing the on-boarding process, as well as training plans, setting a timeline and key milestones, and determining how your internal systems will work together.

5 Determine if the system and provider will scale with your organization

Consider the amount of change that has occurred in technology, your industry, and standard business protocols over the last decade. To be successful, organization must adapt to change in order to grow. Therefore, sourcing software must work the way you do and service providers must be ever-growing and developing to ensure they adapt to the rate of change in client needs.

When researching and reviewing providers, determine their growth plan and vision.
Ask questions such as:

- Do they actively track supplier and evaluator satisfaction ratings?
- How has their client base grown over the last few years?
- What is the product vision and roadmap for future innovation?
- Does the software platform have bank-grade encryption technology?
- What is the net promoter score as ranked by their client base?

What is NPS?

A Net Promoter Score (NPS) is a rare but very insightful customer satisfaction rating that serves as a beacon for prospective clients. The score reflects the question:

"Would customers recommend this provider?"

It is determined based on customer ranking and feedback. NPS can be as low as −100 (everybody is a detractor) or as high as +100 (everybody is a promoter). A score of "50" is considered "excellent", while a score above 70 is considered "world-class."

Once the platform is launched, the need for training and support doesn't disappear. Ensure your software provider has resources in place to train new users, as well provide ongoing support for existing users to stay up-to-date on features, learn best practices, and ensure you are using the platform to its fullest potential.