



Business to Business e-Solutions



SOLUTION DATA SHEET
PURCHASE TO PAY
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Streamline your Purchase to Pay (P2P) functions within your business

Have you thought about the amount of effort it takes your organisations to procure goods and services? The number of steps and processes involved? Compliance and audit issues? The effort to pay for the goods and services once ordered, delivered and received? Procurement may not even be a local aspect anymore in an ever expanding global market.

The process is typically complicated with a myriad number of steps which maybe influenced by a number of extraneous and internal factors throughout the process adding time, effort and ultimately cost.

Where is your organisation today?

The Purchase to Pay (P2P) process in most organisations is typically managed by a number of different entities within the business all with different functional objectives and in some instances these objectives may contradict in terms of one another.

The P2P process can be broken into two key functional aspects within an organisation; Procurement and Finance.

Procurement: Of course, within organisations the procurement or purchasing department will not necessarily manage the day to day purchases once deals have been stuck with key suppliers and contracts negotiated, or for that matter, once-off purchases this will be done by requisitioning staff within the organisation which could be a few people to everyone. And this is where compliance and audit becomes a key factor in the success of the P2P process and where many organisations start to unravel. Typically procurement staff or those with purchasing power will, if stringent systems are not in place, buy outside contracts, buy outside standard terms, mismanage procurement processes all helping with the erosion of profit through poor practices.

Finance: The finance department will typically manage the payment aspect of the purchase process. The accuracy of goods and services negotiated by the purchasing department and the maintenance of those contracts combined with the purchase process will determine how much time and effort finance departments have to contribute to the procurement process.



“Typically an organisation purchase to pay process is fraught with poor process, audit and controls which adds cost at the purchase phase through to the payment phase!”

This can be straight forward or highly complex based on the purchase process adopted. If all the details are accurate, contract terms are clear and the goods or services have been procured and received correctly the matching and payment process is straight forward. Where goods and services have been purchased incorrectly the finance department will then have to trace back the issue through the procurement process to ensure the goods or services are paid for adding time, effort and potentially loss of profit. The latter scenario is generally more the norm with 50% Invoice match rates being typical within many organisations.

Business Operating Performance

When you look at the real cost associated with the purchase process within your organisation you will see it can be quite a costly process. The solutions B2BE can provide will enable you to streamline these processes through a centralised system. Assist you to improve supplier relationships while also maximising purchasing power through fewer suppliers while providing self fulfilment functionality to all parties within the Purchase to Pay process driving continuous process improvement.



Improve Compliance and Audit

Managing supplier purchases where you have negotiated terms based on spend analysis and projections only to have entities within the organisation work around this can be difficult to manage. B2BE's solutions will help ensure compliance aspects of purchasing through managed contracts, e-Catalogue solutions, workflows and reporting. This will help provide management reporting to assist in the addressing of purchases made outside agreements or made incorrectly.

Key drivers

- Spend Control

One of the key drivers for the development and implementation of improved Purchase to Pay solutions is to better manage and control spend within your organisation.

Depending upon the type of business and market sector your organisation operates in will depend upon how you manage your contracts and purchases. Wholesaling for example will, as part of their service offering to clients, supply possibly items which aren't a stock item so purchasing can be ad-hoc. Retailers generally will tend to have a defined range of products that are sold from a specific location within a retail store. These are but two examples of different distribution models. However, they still have similar requirements. They must source goods for on-sale at the best possible price to ensure maximised profit!

If in either example sourcing was all ad-hoc and purchasing was made out of negotiated contracts or from none key suppliers then this will impact the supply chain in terms of the organisations ability to leverage purchasing power, managing stock and item master files through to processing payments with the overriding implication that this process opens itself up to fraudulent activity with limited audit trails.

So managing purchases through key suppliers and allowing greater purchasing from a small supplier base will help drive improved contract negotiation and help manage spend.

- Compliance and Audit

Ensuring resources that have purchasing power within the organisation order from the right suppliers at the right price and also spend within their limit is difficult to manage manually once contracts have been negotiated and some business systems don't provide a high level of visibility in this area.

Once a system has been deployed within an organisation to maximise spend control it is equally important to be able to ensure compliance through audit and control processes. If these aren't in place it becomes a very simple step for spend to become uncontrolled or mismanaged again and your organisation is back to square one.

All too many times contracts are negotiated based on certain spend levels or volumes of business with a supplier, when spend becomes an uncontrolled element the volumes do not reflect the negotiated contracts and this can erode both bargaining power in the future and the maintenance of existing contracts as well.

- Engage and Work with Suppliers

When you engage with suppliers both from a contractual and dialogue perspective this helps improve and develop an ongoing relationship which in-turn can produce better controls and audit processes to ultimately help control spend.

To do this however requires information and knowledge gained through compliance and audit processes. Information about value of spend, an ability to consolidate spend and buy from one or two suppliers in that category to help increase purchases and improve purchasing power.

While you need to engage with suppliers to ensure you're managing your spend by purchasing the right products at the right price you will also be able to manage payment cycles given what you purchase and what you provide in purchase requisitions is clean and accurate meaning when the supplier sends an Invoice it will match first time. This provides a benefit to both parties within the purchase lifecycle process. Goods are shipped correctly and cash flow control measures can be maintained accurately and against terms originally negotiated within contracts.



- [Drive Continuous Process Improvement](#)

Obviously one of the key drivers is to enable the continued evolution of processes to facilitate continued growth and expansion of the organisation.

Where processes and systems remain fixed to a period of time based on current capabilities or thinking this may cause a disconnect between organisation objectives and ability to achieve them. Systems and processes need to constantly evolve with the changes in best practice, markets and the economy, the latter becoming more relevant as economies become global.

Where an organisation is not able to adapt to factors such as markets and economic conditions quickly may mean that as an organisation they will be saddled with archaic processes removing the ability to change rapidly or with a degree of flexibility losing the ability to maintain a competitive edge.

Increase Operating Profit

Buying and paying for goods at the right price obviously facilitates better margin management and ultimately profit margins, this concept is pivotal to the ongoing health of the organisation. Where you can manage spend with key suppliers who are contracted for the supply of goods at a pre-determined price will provide the initial step in managing profit. The B2BE systems are able to highlight spend analysis outside contracted suppliers through pro-active monitoring or through management reporting. Through workflow spending outside nominated processes can also be prevented if need be.

What can B2BE do for your organisation

The B2BE Purchase to Pay solution helps your organisation improve, manage and grow your ability to purchase and pay for goods with greater levels of visibility, control and accuracy facilitating and producing process based improvements. This ultimately will help your organisation reduce spend cost and reduce inefficient administrative tasks which are highly prone to error and highly repetitive.

Summary of B2BE's Capabilities:

- Streamline business process enablement
- Manage supplier catalogue information
- Enable and facilitate workflow solutions around the P2P processes
- Provide the foundation for developing and improving supplier interaction and relationships
- Enable full audit and control processes
- Provide accurate and relevant reporting
- Engage, manage and enable automated supplier integration within the P2P supply chain

How does B2BE provide your organisation with a Purchase to Pay solution?

The B2BE P2P suite of products groups a range of B2BE products and solutions to form a full end to end solution, from contract and catalogue management through to document distribution and payment processing.

The B2BE P2P solution is a fully outsourced and maintained solution negating the need to invest or purchase expensive software, networks or systems and removed the need for specialist in-house resources to manage them. All adding to the bottom line!

The solution can be tailored to your organisations needs and requirements based on systems and processes you may have in place already and wish integrated with the B2BE solution or you may want to start using a blank page to fully re-engineer your Purchase to Pay processes so you will be embarking on a full redesign. The following details the B2BE products that can be used to create entirely new processes to help minimise spend and improve payments.

- [Transaction Delivery Network](#)

The B2BE Transaction Delivery Network (TDN) provides an automated, secure, reliable electronic document communication environment within the Purchase to Pay process for document and data transmission through the Internet between you and those within your supply chain or with other B2BE products.

- [B2BE e-Catalogue](#)

The e-Catalogue is the central point to manage and maintain contracts and catalogue data with your suppliers to facilitate purchasing. The B2BE e-Catalogue provides the ability to enable self fulfilment functionality through to catalogue punch out and workflow. The e-Catalogue is an integral part of a full Purchase to Pay solution.



Improve Performance Measures

Like any system health checks and management reporting are integral to their success. B2BE's Purchase to Pay solutions provide a number of benefits but also enable tailored solutions to be developed to facilitate management reporting and analysis of spend versus payment and many of the steps in-between. This then enables organisations to modify processes and solutions to encompass the evolution of the Purchase to Pay process within their organisation or market.

- [B2BE Web Portal](#)

The B2BE Web Portal creates a single access point within the Purchase to Pay process allowing supply chain partners, finance and purchasing employees to effectively share information and work together to access the B2BE suite of products forming the Purchase to Pay solution for your organisation. It is a flexible and user-friendly online solution that provides a robust platform that allows different functions and entities to exchange data with one another within your business or from external sources.

- [B2BE Document Digitization](#)

B2BE understands that your organisation may trade with supply chain partners who are unable to transmit Invoice documents or data in an electronic environment.

B2BE's Document Digitization services address this challenge by converting manual documents received through hard copy, facsimiles or e-mails into electronic Invoice files for automatic uploading into your business system.

This ensures that within your finance area all Invoices are received 100% electronically and can be made available online through both the B2BE Web Portal and Document Archiving products.

- [B2BE Document Archiving](#)

The B2BE Document Archiving suite facilitates a highly secure, scalable and robust solution for online document storage, retrieval and management removing the need to archive years of hard copy documents for legal or reference purposes.

This provides the ability for your organisation to remove paper from the Purchase to Pay process so all documents can be made available online to each of the relevant supply chain members, reduce handling, storage and ultimately query based costs while improving document management processes.

- [e-Mail Gateway](#)

The B2BE e-Mail Gateway offers businesses a flexible way to transmit outgoing documents, notifications and reports to trading partners within the supply chain who may not want to receive electronic documents into their respective business systems automatically or where the document or notification provides audit or reporting requirements.

- [e-Fax Gateway](#)

Where documents require a level of auditability over e-Mail, for example, Sales Orders the B2BE e-Fax Gateway provides the means by which documents produced by you electronically can be faxed to members of your supply chain for manual processing.