The Documented Benefits of Cloud-Based Procure-to-Pay Automation

Presented by

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Smart. Easy. Automated.
Strategic Procure-to-Pay – The SciQuest Way.

Modular depth and breadth for sustained contributions to the bottom-line
A little bit about Bryn Mawr

- Small private liberal arts college for women.
- Located on 135 acres in Bryn Mawr, Pa.
- Opened in 1885, the first college to offer graduate education through PhD to women.
- 1,300 UG women & 400 G students from 59 countries.
- Over 3,000 cross registrations and 5,000 courses offered through BMC and 3 other local colleges.
- Employ about 200 faculty & 400 staff (FTE).
- Best of breed concept for software.
  - PeopleSoft for student services & payroll
  - Financial Edge for accounts payable, fixed assets & general ledger
  - Sciquest for purchasing & procurement
A little bit about me

• What do I do all day?
  – Manage AP function (includes administration of Credit Card and Procure-to-Pay online systems).
  – Administrator for ERP (GL-AP-FA).
  – Other accounting related functions and duties.

• What is my background?
  – At BMC for almost 8 years – Go Owls!
  – Worked as an accountant in local government for 8 years.
  – BBA in Accounting from Temple University – Go Owls!
Challenges prior to Procure-to-Pay (P2P) Solution

• Overspending
  – Majority of products purchased without using a PO or contract/consortium prices.
  – Same types of products were purchased from many different vendors.

• Unhappy auditors
  – Management letter comments for lack of automated purchasing system.

• Proper controls and process inefficiencies
  – All approvals were done after the fact on paper AP forms and were manually signed.
  – Invoice data entered twice—once on a paper AP form and once in AP system.
  – Same dept. employee could place order then complete and approve AP form.
  – Not obtaining a W-9 from all vendors before we paid.
P2P Solution Implementations

• Sept 2010 – product purchases by staff using the PR-PO-receiving-invoice process.
• Sept 2011 – product purchases by faculty using PR-PO-receiving-invoice process.
• Nov 2011 – payment for services using a non-PO invoice process.
PR-PO-receiving-invoice process

• Users can search for products in electronic catalogs or enter product information using electronic non-catalog order form(s).

• Users add products/forms to a shopping cart.

• Users enter account(s) to charge and submit their shopping cart.

• Shopping cart becomes PR and routes through an electronic workflow approval process.

• PR becomes a PO and order is sent to supplier electronically.
PR-PO-receiving-invoice process

• User physically receives product(s) and enters an electronic receipt.

• Supplier sends electronic invoice/cm to P2P solution or sends paper invoice to AP who will enter.

• Automated workflow approval process performs 3-way match (PO-receipt-invoice) and approves or routes to error queue.

• Approved invoices/cms are electronically sent to AP system and payment is processed.
Benefits of the PR-PO-receiving-invoice process

• Over 8M products available through 15 electronic catalogs utilizing contract pricing.
• Over 2,100 vendors can be used to purchase products/services not in electronic catalogs.
• Item level detail of products captured.
• Approvals performed before order placed and are electronic instead of manual.
• User acknowledges receipt of products.
• 65% of PO invoices/cms are electronic.
• 98% of PO invoices/cms are auto-matched.
Non-PO invoice process

- User enters paper invoice/cm for services and account(s) to charge in P2P solution.
- User scans paper invoice/cm and attaches to electronic entry or sends paper invoice/cm to AP.
- Invoice/cm routes through an electronic workflow approval process.
- AP audits and approves or rejects invoices/cms during the workflow process.
- Approved invoices/cms are electronically sent to AP system and payment is processed.
Benefits of Non-PO invoice process

• Eliminated double data entry.
• Description of service(s) captured.
• Over 2,000 service vendors available.
• Approvals are electronic instead of manual.
• AP staff role changed from data entry to audit role.
• 60% of non-PO invoices/cms are electronic (scanned and attached).
BMC Benefits: Cost Savings

• Random product price comparisons
  – 19% savings, electronic catalog price vs. internet price.
  – 40% less, electronic catalog price vs. credit card purchases price.

• FY11 vs. FY14 analysis (no inflation adj.)
  – 2% (60K) increase for product purchases.
  – 21% volume increase (invoice count) for product purchases.
BMC Benefits: Internal Controls/Auditability

- Have greater visibility of spending and future spending commitments.
- All 3rd party vendor orders/payments are approved electronically.
- History of each document captured.
- Require W-9 be attached to all new supplier forms in P2P solution.
- Use LDAP for login.
- Auditors review PRs, POs, electronic and scanned invoices directly in the P2P solution.
BMC Benefits:
Process Efficiencies

- Majority of process is electronic.
- Vendor master reduced so less room for error.
- Users can have favorites for both electronic catalog and non-catalog items for products frequently ordered.
- Users do not need to copy and file paper POs, AP forms or documentation.
- Users receive emails at key points in process.
- Information can be easily viewed by users through a simple reporting tool.
BMC Benefits: Reporting/Analysis

• Canned Purchasing Dashboard Reports
  – PR/PO counts, spend, cycle time.
  – PR/PO spending by supplier, category, savings.

• FYTD Analysis Reports (provided by client partner monthly)
  – Supplier enablement/catalog info.
  – PO spending.
  – Settlement spending.
  – Site usage.
### BMC Benefits:

**Reporting/Analysis**

- **Catalog Compliance report**

### Catalog Compliance Report FY 2015

<table>
<thead>
<tr>
<th>Supplier ID</th>
<th>Supplier Name</th>
<th>Enablement Type</th>
<th>Hosted Product</th>
<th>Punch-Out Product</th>
<th>Non-Catalog</th>
</tr>
</thead>
<tbody>
<tr>
<td>1376</td>
<td>LIFE TECHNOLOGIES CORP</td>
<td>Punch-Out</td>
<td>0%</td>
<td>77</td>
<td>0%</td>
</tr>
<tr>
<td>6439</td>
<td>AIRGAS USA LLC</td>
<td>Punch-Out</td>
<td>0%</td>
<td>38</td>
<td>1%</td>
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<tr>
<td>124516</td>
<td>HENRY SCHEIN INC</td>
<td>Hosted</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>125769</td>
<td>GRAINGER INC</td>
<td>Punch-Out</td>
<td>0%</td>
<td>51</td>
<td>3%</td>
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<tr>
<td>126803</td>
<td>OFFICE DEPOT</td>
<td>Hosted</td>
<td>600</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>3825401</td>
<td>FISHER SCIENTIFIC CO</td>
<td>Hosted</td>
<td>89</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>3825405</td>
<td>SIGMA ALDRICH INC</td>
<td>Punch-Out</td>
<td>0%</td>
<td>129</td>
<td>1%</td>
</tr>
<tr>
<td>4054351</td>
<td>WB MASON</td>
<td>Hosted</td>
<td>593</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>4065811</td>
<td>APPLE COMPUTER</td>
<td>Punch-Out</td>
<td>0%</td>
<td>48</td>
<td>0%</td>
</tr>
<tr>
<td>5105163</td>
<td>OFFICE DEPOT COPY &amp; PRINT</td>
<td>Punch-Out</td>
<td>0%</td>
<td>99</td>
<td>1%</td>
</tr>
<tr>
<td>12468503</td>
<td>COMPLETE BOOK AND MEDIA SUPPLY INC</td>
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<td>3</td>
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<tr>
<td>13284011</td>
<td>HILLIARD INC</td>
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<td>0%</td>
<td>10%</td>
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<tr>
<td>13417080</td>
<td>PHILIP ROENAU CO INC</td>
<td>Hosted</td>
<td>32</td>
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<td>24%</td>
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<td>15560941</td>
<td>OFFICE TECHNOLOGIES LLC</td>
<td>Hosted</td>
<td>50</td>
<td>0%</td>
<td>25%</td>
</tr>
</tbody>
</table>
BMC Benefits: Positive User Experience

- Users have choices and are trusted to make the right decisions.
- Users enjoy comparison shopping.
- Senior Management has received positive feedback directly from faculty.
- Faculty have requested to be brought up after positive experience in other depts.
- Administrators days are not spent on phone answering questions about the P2P.
Overall Benefits: P2P Solution

- Web-based.
- Offers flexibility and customization.
- Electronic Integration with vendors/ERP.
  - Account validation, user/vendor creation/inactivation, approvals, PRs, POs, invoice/cm creation and processing.
- Opportunity to update inefficient processes.
- Opportunity to add/improve internal controls.
- Constant innovation.
  - Customers request new features and can vote.
  - 3 regularly scheduled upgrades per year.
  - Training provided through upgrade documentation, previews, webinars and client partner.
Thank you for your time

“Excluding mirrors, where do you see yourself in five years?”

Questions???