



Implementing Procure-to-Pay for Short-Term Success and Long-Term Value

Replacing past failures with a frictionless vision for the future

Written by Kelly Barner, Buyers' Meeting Point, in collaboration with JAGGAER



Abstract

Many articles have been written about the common failures affecting enterprise implementations and how to avoid them, and yet problems persist. In the case of procure-to-pay (P2P), a successful implementation is critical because it brings procurement into direct contact with their largest group of internal customers: distributed buyers. Successful implementations can lead to better cross-functional relationships and higher levels of adoption and compliance, while failure can drive down satisfaction, contribute to friction in the buying process, and impact the ability of the enterprise to function efficiently.

With the implementation of a P2P system, failure is truly not an option.

In this paper, we will look at the P2P implementation efforts from several perspectives:

- Common sources of failure and how procurement can address them
- P2P implementation sequence strategy
- Best practices for project staffing
- Ensuring access to an appropriate P2P content and data ecosystem
- Delivering a frictionless user experience during and after implementation

Our goal is to flag the potential pitfalls that can and should be avoided and to provide workarounds for the failures of the past. We will also provide insight into the human and process-based best practices that can improve the implementation experience today and guide a vision for the enterprise-wide value available when implementation goes as, or better than, planned.

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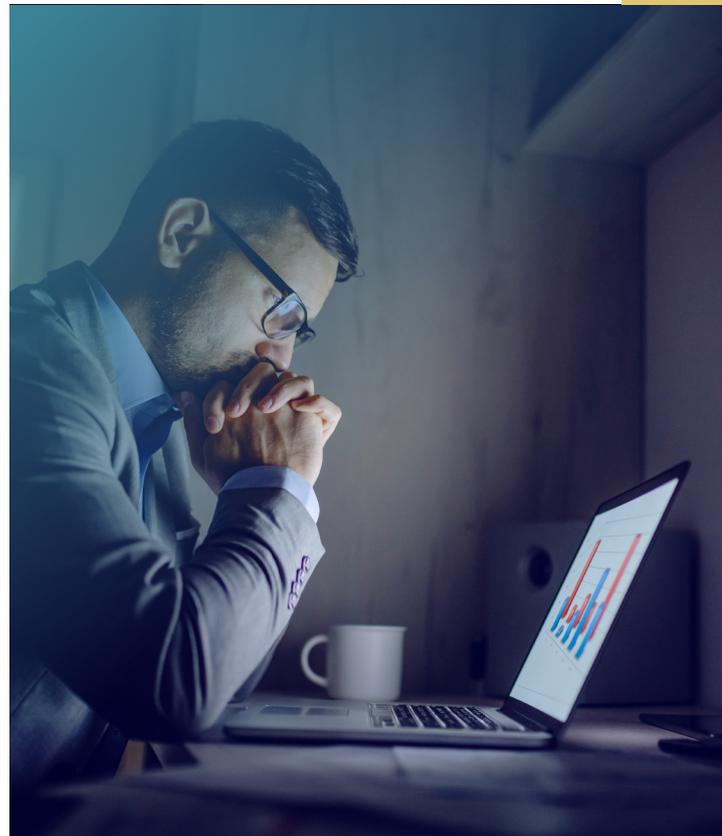
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Common Sources of P2P Implementation Failure

The most common reasons P2P implementations stall and fail cover the entire people, process, and technology spectrum. Because poor implementations often include more than one of the following factors, difficulties are largely 'platform agnostic' and are best addressed through effective planning and communication.

Integration

P2P systems are often integrated with multiple data systems in an enterprise, most notably one or more ERP systems. In order to provide a transparent and seamless user experience, all integrations need to be robust and reliable and provide access to information in as near to real time as possible. Properly identifying each required integration point and the systems involved and then planning through the implementation with the appropriate points of contact is the best way to ensure resources are available to deliver a successful rollout within the desired timeline and with no surprises.



Stakeholder Engagement

Internal stakeholders should be invited to participate in the implementation process, starting with selection and keeping them invested and involved throughout. Their input is likely to include systems and usability requirements and their engagement is a key early component of longer term buy-in. Without stakeholder involvement, procurement may miss important use cases and will lose the opportunity to build the enthusiasm and motivation they will need when it is time to deploy the P2P system. This engagement extends all the way up to - and in some cases reflects down from - the highest levels of executive leadership. If procurement can't secure executive level support, how can they expect to bring everyone else on board?

Adoption

The implementation failures discussed thus far can result in a poor user experience that halts adoption. In addition to addressing the areas previously described, organizations also need to establish a change management plan that complements corporate culture and specifically targets concerns about adoption. The procurement team should carefully consider its communication methods, training delivery, policy adherence expectations, and incentives. Making an active effort to improve adoption in both the internal user and supplier communities before there is a problem will pay dividends during implementation and long afterward.

Supplier Strategy

We have mentioned procurement's internal customers, but not all stakeholders work inside the company. A P2P system can only be successful if the right suppliers, catalogs, and pricing are put in place. Without them, users will go outside the system to get what they need - either because they are forced to or because they prioritize their own convenience. Implementation strategy should incorporate suppliers in prioritized waves, starting with those that represent significant spend or are strategically important to the organization's success and business continuity. Procurement can then work collaboratively with those suppliers to determine the type of catalog or form they will have in the system and how the communication of orders and invoices will be handled. Finally, procurement can enable every supplier from the top through the tail without worrying that suppliers or internal points of contact will be negatively affected.



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P2P Implementation Sequence Strategy

Just as the supplier onboarding process is often managed through phases in a P2P implementation, organizations can prioritize specific categories of spend and implement them gradually rather than being forced through a hurried 'big bang' rollout.

In cases where organizations choose to segment their P2P deployment, catalog spend is often implemented first. This includes all catalogs for the top suppliers by spend or transaction volume. Typically, these purchases (which are often predominately indirect spend) have simple approval processes and provide a quick ROI through the introduction of electronic order delivery, electronic invoicing, and automated PO matching.

Once you have successfully implemented catalogs, services and non-catalog requests are a good next step to bring additional spend under management. These spend categories require more specific approval and process workflows, and potentially additional systems integrations, but the work done with indirect spend provides a good foundation for moving into more complex categories.

Direct spend can be implemented in its own phase or in parallel to the other spend categories. Direct spend is distinct and carries very specific processes so it can often be deployed on its own timeline. Similarly, inventory and stock room fulfillment can also be implemented in its own phase or in parallel as these processes have a distinct workflow.

The final significant spend area to bring into a P2P system is all of the non-PO invoices. The goal is to capture this data for the sake of analysis so eventually non-PO spend is reduced and driven into the PO process. Digitizing and automating these processes provide an opportunity to capture major efficiencies and allows procurement to more fully capture and represent organizational spend.

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Best Practices for Project Staffing

Procurement and accounts payable (AP) will obviously be central to the P2P selection and implementation process, but it is important to pause and assess who needs to be involved from each of these teams. This decision may be affected by whether procurement and AP are part of the same reporting structure or not. Given the ultimate strategy of a P2P system is to streamline these teams, reporting structure and policy change approvals should be addressed during the implementation effort.

As previously stated, it is critical for stakeholders to be involved long before a P2P system vendor is selected, but they are not the only important non-procurement team members. A comprehensive project team should include a variety of people fulfilling different roles in the enterprise.

Major Category Stakeholders

After implementation, these stakeholders will be heavy users of the P2P system. Addressing the requirements of each major category through functionality and configuration will ensure full use case coverage and a shorter time to value.

Q. Is the P2P vendor a member of the team?

Absolutely! Vendor project managers should offer experienced leadership and be invested in the success of the project. In addition, the vendor's executive team should offer sponsorship and oversight, guaranteeing the value proposition that was spelled out before the vendor was selected.

Additional vendor input may include solution consultants with specific subject matter expertise, integration support, and engaged help desk staff. The vendor's ultimate goal is the success of their customers - and they cannot achieve that without being a core part of the implementation team.

Regional Leads

When organizations have multiple locations included in the deployment, each site must be represented in the selection and implementation efforts. This may overlap with the major category representatives, but it is important to ensure each site's local needs are met by implementation, training, and deployment plans.

IT

Integration is a critical part of the implementation, and IT is best positioned to visualize the technology landscape and identify any other applications that may be affected. They can also represent the enterprise's interests in cybersecurity, especially when external users (such as suppliers) will be involved.



Integration Challenge: Including Contract Management

Contracts should be seamlessly integrated from the start of the P2P implementation process, forming connections that remain unbroken through the rest of the P2P process.

P2P solutions can automatically determine when a contract is relevant to a purchase and ensure the right pricing and terms govern the transaction. Spend should be tracked against a specific contract as purchases are made rather than waiting for the invoicing process to be completed to prevent overages. When additional savings are associated with making payments using a certain method or in a specified timeframe, the P2P solution should drive these actions.

The P2P solution can even improve spend management when there is no contract in place by identifying categories where there is currently no contract coverage, helping procurement prioritize savings opportunities.

Change Management

Depending on the size of the organization, there may be a team of professionals dedicated to change management. These representatives are in charge of communications, training, and deployment and they can meet the needs of both users and suppliers. While it is reasonable to expect the P2P vendor will offer best practice plans and materials to assist with the change management effort, each organization should modify them to fit their unique requirements for a successful rollout. Having access to this expertise internally will only improve the results of the change management and implementation efforts.

Compliance

As with change management, compliance is sometimes a formal function. The compliance team should be involved early in this type of engagement. In fact, they may have requirements that can be shared with the vendor up front and in support of specific implementation-related use cases. A formal sign-off process is recommended for risk mitigation purposes.



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Ensuring Access to an Appropriate P2P Content and Data Ecosystem

No matter how good it is, technology alone cannot provide solutions to business problems. Leading P2P vendors offer a rich data and content ecosystem that enhances their customers' implementation efforts and the quality of the user experience. Examples include:

- Industry or vertical-specific best practice templates and libraries
- Robust catalogs with full product details, images, and live price and availability capabilities where necessary
- Supplementary supplier details to support risk management and commercial data to improve analytics and decision making
- Access to list pricing and pre-negotiated contracts and pricing via GPOs in addition to an organization's own negotiated pricing
- Compiled answers to common community questions so users can independently access the information they need

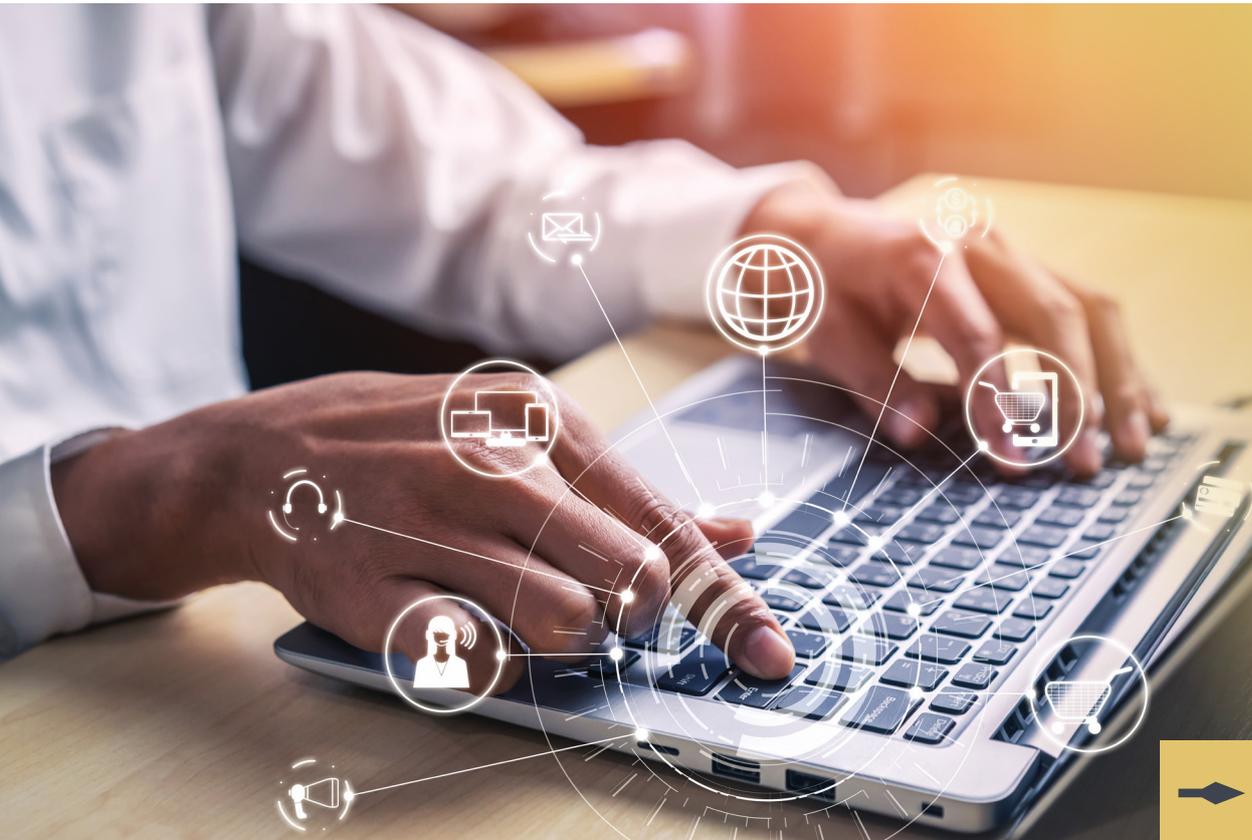
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Delivering a Frictionless User Experience During and After Implementation

The user experience must be easy. Period. This requires easy access to the information users need when they need it. When procurement endeavors to manage more spend, their purpose is not to control users but to improve their access to products and services through pre-approved channels. Convenience will bring users to the tool when it is new and give them an incentive to return again and again. A P2P system should position procurement as a trusted partner by helping them meet material and service needs at the best price.

Ways to do this include:

- Give users a single starting place to find whatever they need, including a robust search engine and trustworthy supporting data.
- Notifications should prevent unnecessary logins, making it easier for users to efficiently remain compliant. Alerts should come via email and users should be able to complete tasks through email or using a mobile device.
- By supporting a single sign-on and seamlessly integrating with ERPs, all multi-system touch points should be invisible to the end-user.
- Data should be pre-determined for users based on their role or use of other systems, including their profile information, commonly used accounting codes, and shopping preferences. By automating this, you save them time and vastly improve their experience.
- The P2P solution should be structured to guide users through guided buying, step-by-step form requests, on-screen help, and clear instructions. Training and support should be available, but nothing beats the convenience of contextualized information that matches users' typical usage patterns.



This expansive vision for P2P systems is possible today - but in order to realize it, procurement must successfully lead a cross-functional implementation effort that learns from, and does not repeat, the failures and mistakes of the past.

Although our discussion of implementation failures and opportunities has been platform agnostic, selecting the best vendor for a company's needs is the best way to improve the success of any P2P implementation. Although procurement teams tend to focus on features and functionality of a P2P platform, the success of an implementation relies on many factors outside of core functionality. It is important to select a vendor that not only satisfies your functional requirements but can also ensure a successful go live.

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The JAGGAER P2P Offering and Product Roadmap

Procure-to-pay is the 'downstream' element of the end-to-end JAGGAER ONE suite, fully integrated with sourcing and supply management and with third-party software, including ERP systems, but also capable of implementation as a standalone solution. Organizations are thus enabled to leverage Artificial Intelligence to automate processes and extend the solution to new categories as their growth requires and their budgets allow. As noted in the [Gartner® Hype Cycle™ for Artificial Intelligence, 2024](#), 'AI capabilities and features are increasingly integrated into ERP, CRM, digital workplace, supply chain and knowledge management software within enterprise application suites. Recent developments in AI are continuing to enable applications to work autonomously across a wider range of scenarios with elevated quality and productivity.' The P2P Platform's ease of use has been further enhanced by the introduction of the digital assistant, an interactive chatbot for guided buying, extending ease of use and stakeholder buy-in. This is the foundation for the zero-touch UI that forms an important element in the JAGGAER roadmap for cognitive AI-based procurement.

However, a successful P2P implementation is more than software. Getting the most out of a P2P solution starts with the connection of supplier catalog content into a shopping environment so buyers can search for and place orders for what they need, when they need it. JAGGAER provides extensive services enabling suppliers and their content to integrate with buyer environments. This includes both large and small vendors from around the world to fit the needs of a diverse cross-industry customer base, which demands the availability of more suppliers each day. To support that growing demand, the JAGGAER Supplier Integrations team employs proven, agile methodology resulting in a streamlined supplier enablement process that rapidly connects buyers to the suppliers required for their organization's daily purchasing needs. Nothing creates cost and time savings quite like a P2P suite.

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