MONTHLY BUSINESS MANAGERS’ MEETING

THE FUTURE OF LSU PURCHASING EPROCUREMENT

Tuesday, October 4, 2011
9:30 am – 11:00 am
225 Peabody Hall
Announcements

- Personal Liability State Corporate Travel Card
- Topic for Next Month’s Meeting
  - University Auxiliary Services
  - Tuesday, November 1st at 9:30 - 11:00 am
- Change in Location! Will be at LSU Union.
Current Procurement Initiatives

- Pilot Procurement Code
- Spend Analytics
- eProcurement
FY 10-11 – Spend Analysis

- Total Spend ≈ $320m
  - Breakdown by Institution:
    - ≈ $3m Paul M. Hebert Law Center
    - ≈ $5m LSU Eunice
    - ≈ $8m LSU Alexandria
    - ≈ $9m LSU System Office
    - ≈ $19m Pennington Biomedical Research Center
    - ≈ $26m LSU Agricultural Center
    - ≈ $250m LSU Main Campus
FY 10-11 – Spend Analysis

**Spend**
- Total Spend ≈ $320m
- Purchase Orders ≈ $275m
- PCard Spend ≈ $45m

**Transactions**
- Total Transactions ≈ 160,000
- Purchase Orders ≈ 12,000
- PCard Transactions ≈ 148,000
LSU World Class
Strategic Procurement

- Automated Processes
- Integrated Processes
- Spend Management
- Contract Management
- Strategic Sourcing
- Spend Analysis
Resources & Tools

- Pilot Procurement Code
- Spend Analytics
- eProcurement Platform
eProcurement Defined

- eProcurement: leveraging technology to automate an entire purchasing process workflow, intentionally guiding users to strategically negotiated contracts through an online, user friendly, one stop shopping environment
eProcurement Benefits

- Reduces Operating Costs
  - Hosted Technology
- Saves Users Time
  - Utilizing Automated Workflow
- Saves Users Money
  - Driving Contract Compliance
- Connects Users to Suppliers
  - Accessible Contract Catalogs
“e’s” of eProcurement

- eEncompass
  - What Is it?
- eEvolve
- eEmpower
eEncompass

One Stop Shopping Platform

- Supplier Shopping
  - Negotiated University Contracts
  - Catalog Contracts
  - Online Solicitations

- University Shopping
  - University Stores
  - Work Order Requests
  - Procurement Policies & Procedures
  - Training
eEncompass

Complete Source to Settle Solution

- Soliciting
- Shopping
- Requisitioning
- Ordering
- Receiving
- Invoicing
- Paying
Streamlined Settlement Process

- Automated 3 Way Matching
- Integrated Accounting
- Error Reduction
- Utilize Vendor Capabilities
<table>
<thead>
<tr>
<th>Supplier</th>
<th>Catalog No</th>
<th>Size / Packaging</th>
<th>Unit Price</th>
<th>Quantity</th>
<th>Ext. Price</th>
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<td>9.99</td>
<td>1 EA</td>
<td>9.99</td>
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**Supplier Subtotal:** 375.00 USD

**Fisher Scientific Subtotal:** 9.99 USD

**Sigma-Aldrich Subtotal:** 9.99 USD

**Supplies Inventory Subtotal:** 131.87 USD

**Subtotal:** 526.85 USD

**Shipping:** 0.00 USD

**Handling:** 0.00 USD

**Total:** 526.85 USD
**General Information**

- **PO/Reference No.**: HM11548PO
- **Revision No.**: 0
- **Supplier Name**: Sigma-Aldrich
- **Purchase Order Date**: 10/9/2007
- **Total**: 69.93 USD
- **Owner Name**: Karen Requestor
- **Owner Phone**: +1 (555) 247-0199
- **Owner Email**: sqdemo@yahoo.com
- **Owner Department**: Chemistry
- **Requisition Number**: 5318972

**Document Status**

- **A/P status**: Open
- **Workflow**: Completed (10/9/2007 11:58 AM)
- **Distribution**: The system distributed the purchase order using the method(s) indicated below the last time it was distributed:
  - **Email (HTML Body)**: nobody@sciquest.com
- **Distribution Date/Time**: 10/9/2007 11:58 AM

**Line Item Status**

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<th>Unit Price</th>
<th>Quantity</th>
<th>Ext. Price</th>
<th>Supplier</th>
<th>Receiving</th>
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<td>2</td>
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<td>none</td>
<td>No Matches</td>
</tr>
</tbody>
</table>

Shipping, Handling, and Tax charges are calculated and charged by each supplier. The values shown here are for estimation purposes, budget checking, and workflow approvals.

**Subtotal**: 69.93 USD

**Shipping**: 0.00

**Handling**: 0.00

**Total**: 69.93 USD
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<tr>
<th>PO Line No</th>
<th>Revision No</th>
<th>Date/Time</th>
<th>User</th>
<th>Step(s)</th>
<th>Action</th>
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Questions?
“e’s” of eProcurement

- eEncompass
- eEvolve
  - How Does It Work?
- eEmpower
Leverage Innovative Technology

Hosted Technology

Software Integration

Scheduled Refreshes & Updates
eEvolve

Strategic Sourcing

Leverage Total Spend

Contract Management
eEvolve

Supplier Management

Strategic Contracts

New Supplier Database  Supplier Accountability
eEvolve

Online Solicitations
Electronic Bidding
Automated Tabulation
Questions?
“e’s” of eProcurement

- eEncompass
- eEvolve
- eEmpower

Why Do I Care?
Manual procure to pay processes...are inefficient and ineffective...they waste employee’s time

- Forrester

- Save Time
  - Locate Contract Products Quickly
  - One Stop Shopping Environment
  - One Requisition – Multiple Vendors
  - Quick Re-Orders – Favorites, History
  - Automated Approvals & Orders
  - Error Reduction
  - Workflow Efficiencies
  - 40-50% of Requisitions Require No Purchasing Involvement
eEmpower

- Save Money
  - Negotiated Contract Pricing
  - Competition at Dollar One
  - Workflow Efficiencies
  - Resource Reallocation
  - Net Payment Discounts
  - Error Reduction
  - Budget Stretching

Returns include a decrease in requisition to order costs - $23 versus $56 for non-electric systems and an increase in user contract compliance.

- Aberdeen Group
eEmpower

- Spend Visibility/Transparency
  - Improved Data Capture
  - Detailed Spend Reporting
- Understand Spending Habits & Patterns
- Increase Spend Under Management
Reporting Capabilities

What Did You Buy?           Who Did You Buy It From?
How Much Did You Pay?
Are You Receiving Negotiated Pricing?
Are You Receiving Negotiated Discounts?

Monitor Contract Compliance Ensuring Best Price Spending
Realize Vendor Overlap for Like Commodities
Identify Targets for Improved Contract Pricing
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<th>Category Level 1</th>
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<td><strong>Computer Products Total</strong></td>
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Questions?
Transformation
Coming
July 2012