Establishing Frictionless Intake-to-Procure as the Core of the Procurement Experience

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"Strategic sourcing should enable the business to move as fast as possible. The name of the game isn't necessarily savings. For tech companies, it's about how do we make the best deal as quickly as possible."

—Liem Hua, Global Head of Strategic Sourcing at Hopin

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For years, procurement has fought internal process battles on multiple fronts— not the least of which is getting people to initiate their purchases in the 'right' way. A combination of confusion, inconvenience, and habit have prevented this first moment of engagement between procurement and the business from being a positive experience. To make matters worse, procurement's internal brand is often based on this poor experience, disregarding the wide range of other valuable activities they carry out.

If procurement wants to be perceived as a strategic partner to the business, the distributed buyer experience has to be improved. Since most procurement organizations aren't expecting a surge in headcount anytime soon, advancements in digital solutions will likely hold the key.

In this paper, we will consider the importance of the intake-to-procure experience, why and how it is so problematic in most companies today, and what procurement can do to make the intake experience frictionless—improving their internal brand in the process.

Status Quo Intake-to-Procure

Procure to pay technologies have never been particularly effective for managing approvals, and they certainly don't make the approvals process convenient for distributed approvers. Despite this reality, there has been plenty of effort on procurement's part to address the problem. After recognizing this functional gap in adjacent systems, many teams have built workaround processes or homegrown systems to meet the need. At some point, however, it is hard to achieve enough scale and data cohesion to make a manual approval process work for everyone.

The Source of the Problem

Inefficient processes waste a significant amount of time at all levels of the organization and damage procurement's internal brand. This is partly due to changing patterns in sourcing and spending activity. With increases in software and services spend, more functional teams need to be involved if the company is to realize the desired ROI and guard against risk. The resulting approval process is cross-functional in nature, and requires interaction with legal, IT, and data security teams—at a minimum. As Liem Hua, Global Head of Strategic Sourcing at Hopin points out, "Every year somebody new wants to inject themselves into the procurement process because of some risk or some new rule or new law." Meeting the needs of both buyers and approvers is a significant challenge to be sure.

Understanding the Need

Procurement has not been held back in this area because of a lack of interest in the approval process—in fact, the reality is the exact opposite. Procurement has been driven to support an approvals process that addresses the needs of everyone involved in the sourcing and payment process. Procurement can't be reliant upon IT or external consultants to make those modifications. Most procurement platforms/suites require costly developer help, whether the work is done internally by IT or externally by billable resources.

What procurement needs at this point in their journey is a flexible intake process to serve the needs of requestors, and equally frictionless approval and supplier onboarding processes.

Even if they focus on the requirements of the majority of requests, there will still be exceptions and differences. If the intake process isn't conditional, the resulting experience will be either:

1 Too long, leading requesters to avoid looping in procurement until it is too late for the maximum impact, or

2 Too manual, making it impossible to automate any of the downstream processes that follow the request and approval process

Procurement has to create an intake and approval process that addresses the vast majority of 'standard' transactions and also adapts or flexes to accommodate the less common, but no less important, exceptions.

> " No code makes it possible for you to actually tweak things. You can just change things on the fly with the right permissions and auditability. "

Finding a Workable, Scalable Solution in 'No Code'

A better, more workable solution is to embrace the latest in 'no code' technologies. No code solutions make it possible for people without programming experience—such as procurement and finance—to customize technology through a graphical user interface. "No code makes it possible for you to actually tweak things. You can just change things on the fly with the right permissions and auditability," as Rujul Zaparde, Co-Founder and CEO at Zip explains it. "Sourcing and procurement are two of the highest ROI functions in any organization; it's unfortunate that more than half of their time is spent on tactical things that will not fundamentally move the needle for the organization."

By moving to a no code solution, procurement can own the design process themselves—in-house—and make iterative changes quickly in response to new realizations about business preferences or operational changes in complex multi-stakeholder workflows.

If procurement wants to successfully design a frictionless intake and approvals process, they must insist upon the ability to:

1 Automate most approvals, just providing manual oversight by exception, and

2 Tailor the approvals process and applicable rules by the type of request and/or the intake point

Keeping Procurement's Eye on the Ball

There is often misalignment between what procurement spends most of their time doing and the types of information and opportunities the business needs them to act upon. This takes an internal brand that is already associated with friction and frustration and compounds the problem by positioning procurement as tactical. Ironically, it is the desire to provide a good 'customer' experience—rather than a limitation of skills—that keeps procurement tethered to the transactions passing through their systems. Since the personal monitoring and manual intervention that procurement feels obligated to provide don't add value for the business, there is little upside associated with these efforts, making them prime for automation.

What Users Don't Know Can Hurt Them

Most users lack visibility into the procurement process, making it hard to audit and leaving them in the dark as to the status of their request(s). The only resolution option procurement usually has at their disposal is to field detailed ad-hoc questions from users, even when delays and uncertainty are driven by another part of the organization. The blame is assigned to procurement by default, despite the fact that they did not cause the problem and do not have the power to fix it.

With the current trend towards self-guided buying and sourcing, procurement must reposition themselves as a 'funnel' that makes it possible for others to request the goods and services they need to do their job. And it is not just the act of buying that is leading the way towards decentralized procurement. Category, product, and service expertise are being distributed as well.

> " A lot of this has to do with connecting the dots between the disparate work streams into something that's much more cohesive for procurement and sourcing but also for the end user. "

Adjusting Procurement's Focus to Contribute to the Greater Good

With the range of products and services being bought from third parties, there is simply no way for procurement to maintain the requisite level of category specialization in each one. But while the requester has increased responsibility for subject matter know-how, procurement is still tasked with getting each request from intake to the finish line in the most compliant and efficient way possible—acknowledging the many objectives procurement is asked to advance.

User expectations go beyond a frictionless procurement process. They also include elements of the company's culture—particularly where environmental, social, and corporate governance (ESG) matters are concerned. Is the company trying to drive investment in sustainability?

Supplier diversity? The procurement process should effectively advocate for those objectives when procurement is present and when they are not.

This means that value-oriented initiatives like diversity and sustainability also have to be integrated into procurement's technology. Rujul Zaparde recognizes the challenge of this need based on his experience working with procurement teams, "A lot of this has to do with connecting the dots between the disparate work streams into something that's much more cohesive for procurement and sourcing but also for the end user." Procurement doesn't have the option to narrow their focus, so finding a way to support variation at scale is paramount.

Guarding Against Risk is Everyone's Job

While ESG initiatives are rising in prominence on the CPO's priority list, so is the monitoring and mitigation of risk. Placing an emphasis on purchasing speed and independence are important from a customer satisfaction point of view, but they can not be delivered at the cost of higher risks. For instance, every software purchase—even if it is just $100—should go through an appropriate data security review, the type of activity that relies upon procurement and IT, if not also legal.

Procurement's processes—and therefore technologies—should align with user expectations but also reflect company culture. In high-speed environments, everything about how procurement works needs to move the ball forward without procurement personally touching all of it. Liem Hua understands this need—and the many competing objectives—all too well,

> " From a tech perspective, strategic sourcing should enable the business to move as fast as possible. The name of the game isn't necessarily savings. It's about how do we make the best deal as quickly as possible. "

If procurement is to simultaneously stay focused on value-added activities while also ensuring that distributed buying activities happen smoothly and conveniently—in alignment with multiple corporate initiatives—it is absolutely essential to leverage the advantages of technology, even when this means reexamining current processes.

Automating the Intake-to-Procure Process

Wherever possible, procurement should redesign their processes from the bottom up, making sure to reflect the voices of each stakeholder group. These different user groups often come with different sources of 'truth,' or the system(s) that they rely upon most regularly for information. Those systems will already have earned each group's trust, and are rarely able to cross realms to meet a similar need for another functional team.

Back to the idea of user experience, procurement has to find a way to ensure consistency while allowing for flexibility, accommodating stakeholder feedback wherever possible—an option that has been too costly and labor intensive until now.

Finding a System That Works for Everyone

Chantal Plank is the Systems and Operations Lead at Canva, where she has seen first hand the downside to mandating that people use non-aligned systems. "We're forcing our sourcing teams to work through a technical system that is not aligned with their skills. It's not conducive to a good user experience. No matter what I need to request, if I'm spending money, it needs to be able to go through the same process. It should feel like the same user experience for that user because the process is guided on the backend."

The challenge as outlined in this paper is very real—and very common. Procurement doesn't have the bandwidth to answer every request status question from across the company, and yet people naturally want access to that information.

Exploring the Potential of Intake-to-Procure

Zip Intake-to-Procure was born to provide two fundamental requirements seen today in companies of all sizes:

- Decentralized initiation of purchasing and procurement requests

- Lateral approvals management and tracking across procurement, sourcing, data security, legal, IT, budget owners, and other teams

Zip provides one 'front door' for any employee that needs something to intuitively initiate a request and provide additional detail through a guided, deeply flexible and conditional intake. At the same time, Zip automatically routes to the correct cross-functional teams for approval, before connecting into the ERP/P2P to create a PR or PO. Most importantly, Zip provides crisp visibility on progress to the requester as well as all key stakeholders.

Once your intake and approval processes and working smoothly, Zip can help you trigger scheduled workflows for renewals, quarterly business reviews, compliance reviews, etc. Zip also provides procurement with visibility into queue management to see the project approval pipeline segmented by stakeholder team. All of this is done in order to balance the need for a frictionless procurement experience without compromising on risk or visibility.

In Conclusion

Status quo intake-to-procure is broken. It is confusing, slow, frustrating, and cumbersome. Like it or not, procurement is being assigned responsibility for this poor experience. Fortunately, there are solutions available that make it possible for everyone to get what they need without huge consulting budgets, inflexible platforms, or multiple parallel systems. With no code intake-to-procure, procurement can take the situation into their own hands, creating the type of user experience they have always envisioned and making changes on the fly to keep the business focused on the business.

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We are based in San Francisco, California.

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Art of Procurement was founded in 2015 to empower professionals at all levels to align procurement performance with corporate objectives.

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