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iPROCUREMENT

Cost-cutting IT tool

What is iProcurement?

The Procurement process is one of the key processes for every Organization, and as such **controlling the majority of Organization's costs**. Therefore, it is very important that the process of purchasing is executed in accordance with its definition, and thus achieve its goal – the acquisition of necessary goods and services at the lowest market price.

Every procurement process consists of several obligatory steps which are often repeated throughout procurements. iProcurement is an application that simplifies, accelerates and unifies the process of procurement.

iProcurement supports the business process of procurement and provides employees and suppliers with access and integration in the process of procurement using Internet technologies, Web and e-mail.

Registration of suppliers

Scenario of supplier registration includes the following steps:
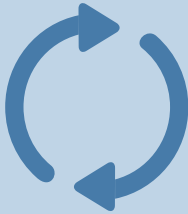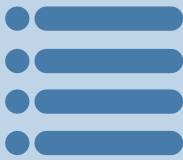
1. **Potential supplier registers on iProcurement Internet site**, by accepting the terms of use and filling in the form with required information.

2. Obtained **data is stored in iProcurement database**.

3. **iProcurement responsible user gets an e-mail notification** that the new potential supplier entered data into the iProcurement system

4. Based on the data provided, and possibly additional contact with the potential supplier, **iProcurement responsible user decides whether to approve the supplier or not.**

5. **Depending on whether the potential supplier is approved or not, two scenarios follow:**

   • **Approved** – an e-mail message containing username, password and instructions for using the iProcurement interface is sent to the supplier.

   • **Rejected** – iProcurement responsible user enters the reason for rejection and the supplier receives an e-mail notification that the registration is not accepted.
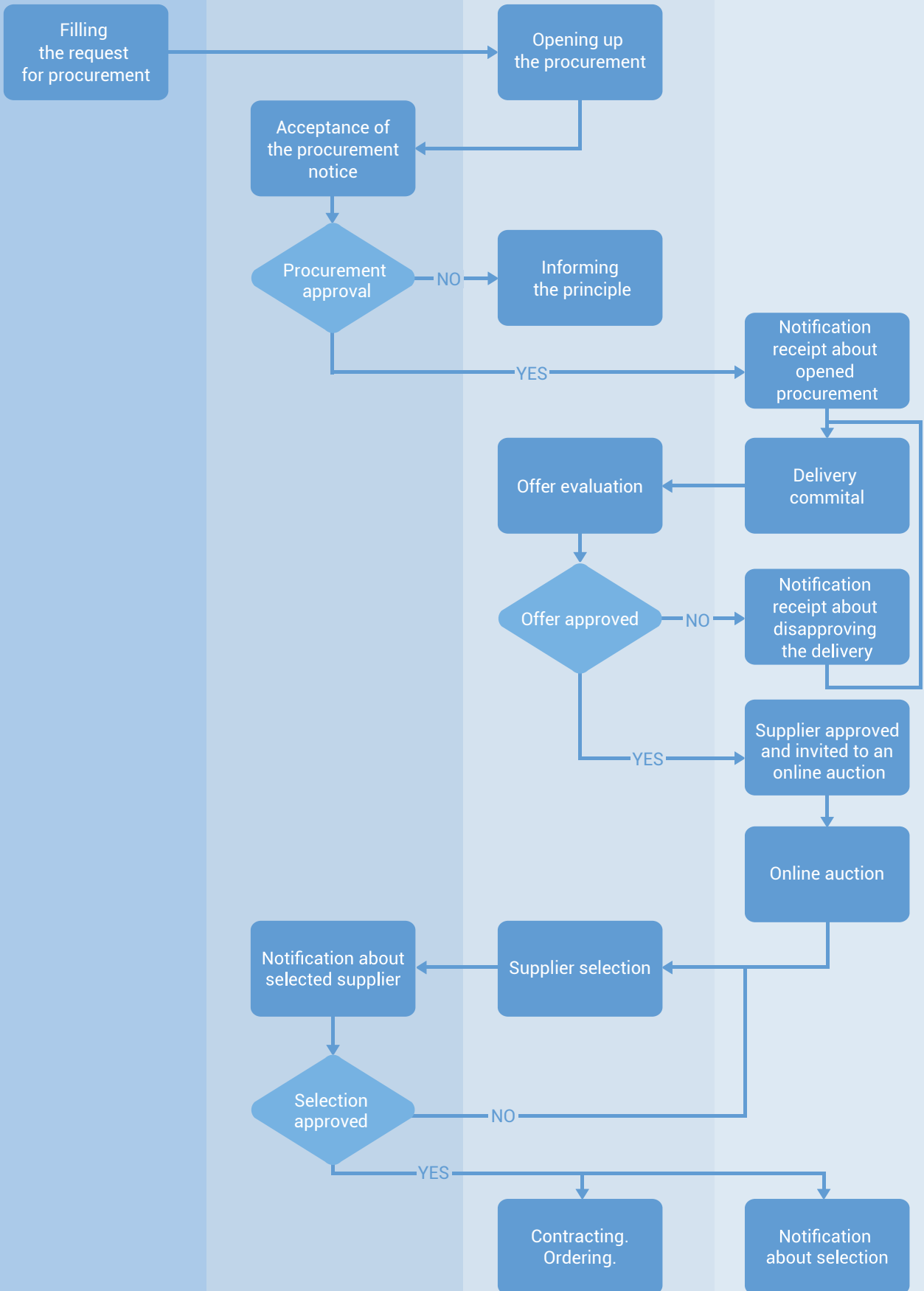
How it works

PRINCIPAL   SUPERVISORY USER   RESPONSIBLE USER   SUPPLIER

Filling the request for procurement

Opening up the procurement

Acceptance of the procurement notice

Procurement approval — NO → Informing the principle

YES → Notification receipt about opened procurement

Offer evaluation ← Delivery commital

Offer approved — NO → Notification receipt about disapproving the delivery

YES → Supplier approved and invited to an online auction

Online auction

Notification about selected supplier ← Supplier selection ←

Selection approved — NO

YES → Contracting. Ordering.   Notification about selection

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Starting the procurement process

At the start of Procurement process, the following steps are conducted:

1. iProcurement responsible **user creates a Procurement process in the application**. The process is described with required attributes and stored in a database.

2. **iProcurement supervisory user approves or rejects procurement process,** in status OPEN, via iProcurement application. If the procurement process is rejected, responsible person can cancel the process or change its data and send it for re-evaluation.

3. After approval of procurement process, all registered **suppliers (for a specific Procurement category) receive e-mail notification about the new Procurement process.** The notification includes basic information, including the beginning and end of an on-line auction for this particular procurement process).

4. **Suppliers should apply for the Procurement process via iProcurement Suppliers interface and attach all valid documentation in electronic form** (including confirmation of payment, if needed for documentation).

5. **iProcurement responsible user confirms to Suppliers their participation in the Procurement process and auction.** In case of rejection, the user specifies the reason of rejection as a part of e-mail notification to the supplier.

On-line auction

On-line auction is allowed for Suppliers confirmed to participate in iProcurement process. Bidding can be done in the time interval defined at creating the Procurement process.

Bidding will be done in the following manner:

1. After being notified about new procurement process, in which they participate, **suppliers will log on to the application with their user account.**

2. **They choose one of the active Procurements** they are entitled for.

3. **They define a price for each Item**. For each change in price, they can enter a text note.

4. **For each active Procurement process, the Supplier can see his / her last offered price for every Item, and the current lowest price for a particular Item** (but not the Supplier who offered the lowest price).

5. **At any time during the on-line auction, suppliers can update their last bidding price for a particular Item**. Price change always has to be descending, i.e. the new price must be lower than the one last offered.

When the bidding period expires, suppliers are no longer able to change prices.

During the on-line auction, iProcurement responsible user and iProcurement supervisory user can **monitor the progress of auction via iProcurement application.** They can trace price history for every Item and suppliers that made the offer. In addition, they can decline particular Supplier and disqualify their offers (adding a text note). Suppliers will be notified of disqualification by e-mail message which will contain the added text note as a reason for disqualification.

Closure scenario

iProcurement closure scenario consists of the following steps:

1. After the expiration of the time period specified for Bidding, iProcurement application joins a supplier to each Item with the lowest price. iProcurement responsible user can check all the bids for certain Item and select a different Supplier for each Item.

2. After the selection of Suppliers, Procurement process closes, and the iProcurement supervisory user needs to approve it.

3. When iProcurement supervisory user approves the Procurement process, iProcurement application automatically sends e-mail notification to suppliers who were not selected, and to ones who were selected.

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Reporting

Reporting is done through the OLAP analytical interface.

OLAP cube uses Price and Quantity as measurements, and the following dimensions:

- Item

- Time

- Procurement category

- Supplier etc.

Combining different dimensions in rows and columns, various reports and reviews can be made, and exported in .cvs format.

Advantages of using the iProcurement application

Systematic approach

for companies using iProcurement application, the process of procurement is systemized, and responsibilities are defined in a clear and transparent way.

Increased efficiency

iProcurement allows the use of latest information technologies in the process of procurement, and therefore increases efficiency of the purchasing process.

Increased cost-effectiveness

iProcurement has integrated support for on-line auction via Internet, which provides the Organization with a tool for procurement of materials and services at market prices, based on latest information technologies.
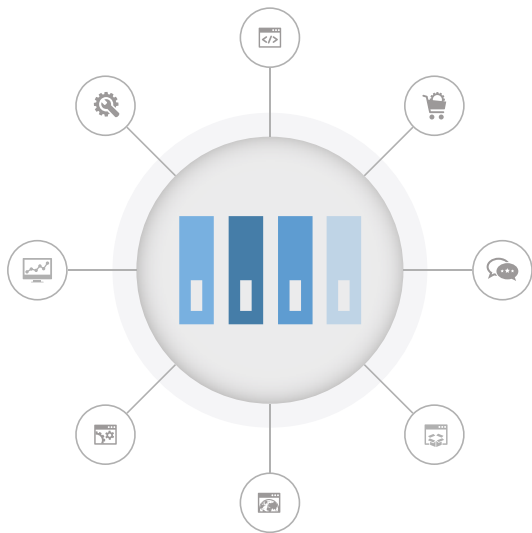
Complete cost control

with comprehensive reporting based on OLAP (On-Line-Analytical-Processing) technology, all data in iProcurement application is available in different file formats. Providing a very simple and flexible way of accessing it.

Data consistency

iProcurement allows integration with existing databases storing products and suppliers in the Organization (e.g. ERP system), avoiding redundant data and inconsistency.

Inducta is a company specialized in ICT solutions adapted to needs of our Customers from various industries.

Our portfolio consists of the following services:

ICT Consulting

Based on our experience and knowledge of the ICT (Information and Communication Technology) trends and developments, together with our understanding of Customer's business, we recommend appropriate ICT solutions to our Customers. Optionally, we select the best solution together with the Customer, depending on the current situation and business plan.

Development of ICT solutions

We design, develop and test solutions according to Customer-specific requirements. In the process we take advantage of our knowledge and experience in the field of ICT solutions architecture, which come from our work on numerous projects in various industries around the world.

Delivery of ICT solutions

Being fully Customer-oriented, we integrate solutions into Customer's technical and business environment, while at the same time providing various forms of education related to the usage of our products.

Products and platforms

Based on our experience in developing solutions, we develop products for a wider market and adjust them according to Customer requirements. In addition, we offer our platforms and modules to other companies engaged in developing software.

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