

The secret diary
of an overworked
procurement manager

Extracts from a year in the life
at a high growth business

WA>>< DIGITAL

Six growing pains revealed in our overworked procurement manager's secret diary

We asked 200 senior business management and procurement professionals at fast growth mid-sized UK businesses about the pain points their department has experienced as their organisation has expanded.

Based on the research findings we've created a series of six fictional diary extracts from an overworked and under resourced procurement manager, each one reflecting common pain points identified in our real world study. With demands from all areas of the business on cost reduction, supplier performance, spend visibility, and spend control (amongst others!) our procurement manager's 'to do' list keeps mounting up!

Accompanying each diary entry are some of the supporting industry facts revealed by our research, as well as suggested solution ideas and case study examples from our customers who have experienced (and conquered!) similar issues.

We hope you enjoy reading the secret diary, and if any of the issues in these pages strike a chord with you, then why not [get in touch](#)? We'd be delighted to talk and see how we can help.

WEDNESDAY
05
JANUARY

Dear diary...

Well there's really never a dull week in the office!

Especially with it being the first week back at work and it's all systems go!

As a procurement department I think we managed to scrape through last year OK, but I'm a bit anxious 😞 about this year. Not sure if things will run smoothly, especially with the business growing and FLYING in all sorts of different directions!!

Don't get me wrong, it's great things are going so well, but I'm worried about how well equipped we are to support this growth.

Growing also means growing up! Needing new kinds of suppliers, negotiating better contracts, spending less time administering payments, knowing what we're spending money on... We just don't have the processes (or the mind-set in some cases...) to keep up the pace.

I'm hoping this diary will be my therapy over the coming months. Let's see what the coming weeks bring.....

I DON'T LIKE MONDAYS!!
tell me why 😊

MONDAY
15
JANUARY

Our costs are out of control!!!

Just what I need on a Monday morning. The FD came to see me to share her 'weekend thoughts' – she wants us to be more proactive in managing our suppliers on cost and performance. Apparently, our cost to income ratio is way too high and she needs to find ways to get "more for less" (her words) and cut down on the crazy pricing and contract terms we're signed up to.

While I don't disagree that it is necessary, it's a big task! We've over 20 strategic suppliers and another 100 tier two suppliers, and the relationships are managed in 3 countries by nearly 30 people! Our supplier contracts are held in a variety of locations across the business and it's going to take me ages to locate them. I can imagine some of them just sit in a filing cabinet and roll over every year without anyone looking at them!! I haven't been involved in any price negotiations or performance evaluations with our suppliers before, and I'm really unsure where to begin.

If we can identify some quick wins we could then give notice and run some sourcing events. But then the way we negotiate pricing with suppliers is all over the place – there's no process or systems in place to drive the best value. Probably because everyone does their own thing.

There's got to be a better way!?

CONTRACT MANAGEMENT WISH LIST

- All contracts in one place – but needs to be secure
- Stored electronically, but we control access centrally
- Tracking? Version control on edits
- Different languages? Can any system cope?

eAUCTIONS WISH LIST

- Get a system in place to standardise process
- Must be easy to use for suppliers
- Import supplier data?
- Needs to support different auction types
- Suppliers contact us pre and during event

OUR RESEARCH REVEALED

High growth companies are struggling with the dilemma of rising costs against income – with difficulties in managing and ensuring profitability.

 40%

HAVE TRADITIONALLY NOT HAD A SUPPLIER REVIEW

 83%

DON'T CHALLENGE SUPPLIERS ON COST OR PERFORMANCE

 78%

STRUGGLING WITH HIGH COST TO INCOME RATIO

SOLUTION IDEAS

web3 Contract Management

- » Store all your contracts in one secure location with the option to set different access levels for users
- » Gain complete visibility and control with all contract data aggregated into one single electronic point of management
- » Maintain a complete and clear audit trail of any historic contract changes with full version tracking
- » Make international collaboration easy with over 15 languages supported

web3 eAuctions

- » Real-time online negotiations make the eAuction a mechanism for buyers to secure the best possible value from your supply chain
- » Invite suppliers to engage via an intuitive, highly accessible supplier portal
- » Drive price reductions of 18% on aggregate across all categories against bids submitted during a tendering process
- » Run different auction types to suit different spend categories and needs, including Reverse, Forward, Dutch and Japanese

web3 eProcurement software in action:
Contract Management

Read about how Durham University was able to improve processes, implement new contracts and work with end suppliers through a contract management system.



Sorry supply chain...
...it's us, not you!

TUESDAY
17
MARCH

We're growing and our suppliers can't cope...

It was a company meeting curveball day today - the MD announced his long term 2020 growth plans. She said there's exciting times ahead and wants to double the size of the business in the next three years - three new product launches in the offing apparently!!

I've already been on the receiving end of a rant from two of our product development managers who had already heard rumours about the new launches. They're panicking about how our current supply partners are not up to the job and that we find it hard to find the right kind of supplier innovation as it is. We're pretty demanding!

We desperately need to expand and strengthen our supply chain evaluation but our manual tendering processes are so slow and laborious I just don't see how we're going to do this to support our MD's growth ambitions.

Evening update! I've also just been pulled into an emergency call about an urgent new project we're working on in Scotland. All suppliers MUST be ISO27001 certified and they need to be confirmed by the end of next month. We've got just two weeks to run a manual RFI process to do the diligence that typically takes us months. So much paperwork to wade through! 'Goodbye weekend'!

There's got to be a better way!?

eTENDERING WISH LIST

- Flexibility - manage complex & simple tender requirements
- Run tenders more quickly - and for different types RFIs, ITTs etc.
- Resource - take away time consuming manual work, need to go online
- Better evaluation tools for supplier responses
- Auditing capability - need a full compliance trail

OUR RESEARCH REVEALED

In many cases existing suppliers are not suited to the growth challenge of their fast growth customers, or are not innovative enough. And with manual labour intensive processes in place it's difficult for growing businesses to quickly source new suppliers.



SAY SUPPLIERS ARE NOT SUITED TO GLOBAL GROWTH



NOT DRIVING INNOVATION IN SUPPLIER RELATIONSHIPS



DON'T HAVE A DEPARTMENT LOOKING AFTER SUPPLIER SOURCING

SOLUTION IDEAS

web3 eTendering

- » Create, distribute, collect and store basic to comprehensive tender information electronically
- » Reduce time and management overheads by up to 85% by publishing and scoring tenders online
- » Ensure the highest level of document and process quality with consistent data formats, reducing manual admin checks
- » Quickly construct mini tenders using pre-populated templates in short time-frames
- » Manage the full end to end tendering process electronically from publishing tenders to scoring and awarding tenders to appointing a supplier
- » A full audit trail is available of all tender documents that are created, distributed, and stored

web3 eProcurement software in action:
Source to Contract

Find out how Thomas Cook, one of the world's leading leisure travel groups, was able to streamline its tender processes and benefit from eTendering, part of our Source to Contract suite.



It's like pulling teeth!

WEDNESDAY
19
MAY

Our supplier relationships are not being managed properly

Guess what? Relations with one of our key suppliers has gone sour. Three orders for a new component we need are not to the specification our project team said they'd asked for, and they were delivered to the wrong site. I spoke to our account manager there eventually, and he didn't take kindly to being blamed for the mistake and claimed our instructions weren't communicated clearly enough.

Who knows? To be honest this certainly isn't the first time we've been told by suppliers that our briefings aren't clear, or that our project management is patchy. On the other hand, I haven't seen any glowing internal performance reports on them either, so fault could lie on either side. Either way, no-one is owning the relationship properly.

To make matters worse, one of our strategic suppliers has failed our ethics compliance spot check (ethics is our "real point of difference" so our MD keeps telling us). Their Hyderabad facility manager didn't send me a copy of their latest working practices & standard employment contract back. I'm reminding every man and his dog about submitting every document so it was only a matter of time before something slipped through the net. (fun 😊)

Oh, and one of our strategic suppliers has just told us we've forfeited our prompt payment discount this month. They changed their bank details and sent a standard letter to our head office but I still haven't received it. Our supplier spreadsheet was out of date so Sage wasn't updated when the payment run was made.

There's got to be a better way?!

SUPPLIER RELATIONSHIP MANAGEMENT WISH LIST

- Tools to help us collaborate and communicate better
- Improved management of the full supplier lifecycle
- The ability to benchmark supplier performance

SUPPLIER INFORMATION MANAGEMENT WISH LIST

- To make day to day supplier self service easier
- Alerts so we don't miss supplier milestones
- Build up centralised supplier master data

OUR RESEARCH REVEALED

Suppliers are not being managed effectively by fast growing companies. Poor communication, performance evaluation and handling of supplier information is a common roadblock they are facing.



SAY SUPPLIERS DON'T SEE THEM AS STRATEGIC CUSTOMERS



LOOKING TO MANAGE SUPPLIERS MORE EFFECTIVELY



PROCUREMENT ISSUES IDENTIFIED RELATE TO POOR SUPPLIER MANAGEMENT

SOLUTION IDEAS

web3 Supplier Relationship Management

- » Gives you one platform to view and strategically own and manage all supplier related activities and communications
- » Build flexible questionnaires and scorecards to measure and benchmark supplier performance against agreed contracts, KPIs and SLAs
- » Access a single central repository of supplier data at the click of a button

web3 Supplier Information Management

- » Invite suppliers to register and submit the information you need to successfully on-board them online
- » Set-up triggers and alerts to prompt suppliers that an action is required from them, e.g. an ISO accreditation that is nearing expiry
- » Integrate seamlessly to finance and other back-office systems, passing approved supplier information automatically into those systems

web3 eProcurement software in action: Supplier Information Management

Learn how Barratt Developments was able to build a better and more secure supply chain using web3 Supplier Information Management.



Will someone just tell me what's going on?!

THURSDAY
22
JULY

Profit is key and we're not keeping control over spending

I had a VERY interesting conversation with a couple of departments this week (big spenders)! I thought we were starting to get a grip on maverick spend but it seems I was wrong. We still have too many employees contacting unapproved suppliers, negotiating their own prices and placing unauthorised orders just because they need the products or services quickly. We clearly need to review our procedures for managing costs and get tough! Our supply chain is starting to resemble an old boy's network.

A complete culture change is required and we need to manage our spend better with approved people buying from approved suppliers at approved pricing.

What's more, I've just been asked to provide a detailed breakdown of spend for a project that was completed last month. Trying to pull together what's been spent and by who is proving to be a nightmare. I've been promised spreadsheets and copies of invoices that just haven't been forthcoming. I should be able to get that information in minutes, not months! And the exec team are breathing down my neck for the second time this week. What should be a relatively straight forward task is turning into a nightmare and my deadline is looming. Need to get some visibility on all of this.

There's got to be a better way!?

CATALOGUE MANAGEMENT WISH LIST

- Give staff an 'easy' online buying experience
- Cut out maverick spending - approved suppliers, approved goods & services only!
- Include services in the catalogue not just goods - give no excuses not to use the system!
- Admin, get our suppliers to manage their own catalogues

SPEND REPORTING WISH LIST

- Build custom spend reports quickly!
- The ability to spot and manage exceptions
- Need to show data in a polished way for Board
- Be able to search for reports and check if further action is required on selected reports

OUR RESEARCH REVEALED

Procurement professionals at high growth businesses find it hard to understand what spend is committed to and what it has been used for. Poor control and visibility of spend is resulting in maverick spend behaviour.



NEED TO IMPROVE THEIR BUDGETING CONTROLS RIGHT NOW



SAY DEPARTMENTAL PURCHASING AUTONOMY IS A PROBLEM



SAY HIGH MAVERICK SPEND GOES UNNOTICED

SOLUTION IDEAS

web3 Catalogue Management

- » An intuitive electronic catalogue where ordering items from approved suppliers is as easy as shopping at home
- » At the click of a button bring spend under management
- » Have the flexibility to order services such as cleaning, plumbing and recruitment from the catalogue rather than just goods
- » Enable your supplier to adjust items and pricing on their catalogue via a Supplier Portal platform, only requiring you to approve the update rather than manage the catalogue

web3 Spend Reporting

- » Access standard reports or build bespoke reports and gain detailed visibility of spend by cost centre, category spend or enterprise-wide spend
- » View invoices, purchase orders, payments made, outstanding payments and high level spend information for any project, department or budget
- » Bring your spend data to life through interactive reporting dashboards that are endlessly configurable by stakeholders
- » Search the status and location of your spend reports to see where a user action is required

The Trust uses the Wax Digital web3 Source to Pay platform to manage all of its spending. Part of that process is that all approved products and services are clearly catalogued and the system's simplicity means our thousands of buyers are 100% compliant in their use of it.

Lynn Browell, Associate Director of Financial Services, County Durham & Darlington NHS Trust

Back to the dark ages!

FRIDAY
24
SEPTEMBER

We've totally outgrown our ordering and payment processes

I was hoping today could be the day to catch up on all of my emails but no! By 10.30am I'd had our FD on at me saying that ten key suppliers are chasing her directly for payment! Now I know accounts payable are stretched but they just don't seem to be able to process our supplier invoices quickly enough, they're forever querying the invoices with whoever raised them, trying to match what's on the invoice with what was ordered, or going back to the supplier asking for details of whoever raised the order in the first place! Then we get different invoices coming in different formats, the paper ones are being keyed into Sage by hand - error central!

Every time I ask for an update on outstanding invoices I'm just told they're doing all they can! If one of our suppliers is not paid by the end of the week they've threatened to delay delivery of some crucial parts we've got on order. Accounts are clearly getting fed up of me pestering them and I'm bracing myself to warn the sales teams that they may have to tell customers their orders are going to be delayed. We need to get a 'no purchase order, no pay' system to get the message home.

There's got to be a better way?!

PURCHASE TO PAY WISH LIST


- Accounts to pay on time - no more slow paper processes
- PO matching so there's no room for error
- To allow suppliers to raise invoices in our own systems

PURCHASE TO PAY WISH LIST


- Right products, right suppliers, right price, right time!
- Reduce costs, spend, risk
- Increase compliance and control
- Need to see workflows covering the process from order to payment

OUR RESEARCH REVEALED

We found that home grown processes and systems are no longer up to the job. Procurement professionals said they aren't really on top of payments, processing and ordering.

 **87%**
PROCUREMENT PROCESSES
TOO COMPLEX AND
RESOURCE HEAVY

 ONLY
20%
ARE ON TOP OF PURCHASE
ORDER PROCESSES

 **75%**
NOT SUFFICIENTLY
TECHNOLOGY ENABLED
FOR THEIR SIZE

SOLUTION IDEAS

web3 Purchase to Pay

- » Manage all invoices and purchase orders online and view a status of those that are 'paid', 'unmatched', 'processing' and 'rejected'
- » Automatic matching of electronic invoices against purchase orders and good receipts eliminates error
- » Allow your suppliers to generate invoices via a Supplier Portal by simply clicking an 'Invoice Now' button as well as other invoicing options
- » Only enable products from contracted suppliers, ensuring you only get items at pre-approved prices when you need them
- » Use real-time spend reporting to drive savings and reduce financial exposure and risk with your suppliers
- » Drive compliance across your buying cycle with controlled stages of approval throughout the buying journey
- » Quickly access a complete workflow of any of your requisitions and the status of them in the buying cycle

web3 eProcurement software in action:
Purchase to Pay

Discover how Center Parcs streamlined and automated its purchasing processes, tackled maverick spend and increased collaboration using web3 Purchase to Pay.



And I thought last week
was busy!

MONDAY
26
NOVEMBER

I had to work at the weekend 😊 but did have a really productive Sunday nailing down how to solve the cost challenge set by the board. Some of the recent tools we've put in place are really starting to make us (and me) better equipped at this spend management game!

However, things just don't stand still here. Found out today our MD is in talks to get an additional investment into the business and there are talks of us acquiring one of our competitors, with the new funding.

Procurement's been tasked with doing a pre-deal assessment of all supplier spending as part of the investor's due diligence and if I'm being honest, the thought of it fills me with horror. We'll need to gather all the different report formats we produce from different systems and spreadsheets. Then we'll need to figure out all the different spend category classifications and naming conventions just to roll up our spend into anything like a meaningful summary fit for external scrutiny.

What's more, the acquisition of our competitor will be a massive undertaking for our team - we'll need to work with IT and finance to work out how we're going to integrate their back-end systems and data points with ours.

I'm going to have to pull team members in to support us on this which means many of the other projects we're currently working on will be delayed. We just don't have the know-how to support complex integration tasks. Something else to add to my wish-list!

SPEND ANALYSIS WISH LIST

- Classify and customise diverse data
- Big data - meet business' thirst for info even from multiple systems
- Spend insight that is customisable for different stakeholders

INTEGRATION TOOLS WISH LIST

- Integrate procurement systems & data with other back-end systems
- Demonstrate joined up working and resource efficiency
- How do we work out a view of the file transfers and data mapping needed across systems?

OUR RESEARCH REVEALED

Many expanding businesses' procurement teams are not prepared to support investor due diligence or have little expertise to handle data integration challenges arising from acquisitions.



SAY ACQUISITION
ACTIVITY CAN DEFOCUS
THE ORGANISATION
FROM ITS GOALS



SAY ACQUISITION /
INVESTMENT IS TOP
GROWTH STRATEGY



SAY INVESTORS WOULD
STRUGGLE WITH DUE
DILIGENCE

SOLUTION IDEAS

web3 Spend Analysis

- » Automatic, accurate classification with unlimited data enrichment options allowing for easy categorisation and standardisation
- » Share dashboards and reports with senior management via mobile, laptop or PC, ensuring you have intelligent reporting on the go
- » Interactive reporting enabling you to generate high level summary reports for your CEO to more detailed and customised reports that can be drilled-down for senior stakeholders

Integration Tools - web3 Connect

- » Use pre-built connectors to seamlessly integrate with your finance and other back-office systems
- » Allow your data to flow seamlessly between all your procurement activities and systems, and get a consolidated view across your Source to Pay cycle
- » View a real-time dashboard with widgets and updates on file transfers, data mapping and integrations taking place, with the option to pause or disable an integration

web3 eProcurement software in action:
Unrivalled integration capabilities

Read about how we seamlessly integrated back-end finance and erp systems whilst rolling out software to our customers such as Value Retail, Monitise and Elior.



WEDNESDAY
07
DECEMBER

Dear diary,

It's been a crazy few months but finally I can see light at the end of the tunnel.

Things really did move quickly with the acquisition and what's more it was the trigger people needed to realise that we needed to invest in electronic procurement processes. At last! To be honest, we couldn't have continued what we were doing even if the acquisition hadn't gone ahead. We needed to 'grow up' where procurement was concerned.

The business is really going places now. And me? Well, you're only looking at the new head of procurement!



SO, DO SOME OF THE PAIN POINTS MENTIONED IN THIS DIARY SOUND FAMILIAR TO YOU?

Now that you've had a sneak preview into 12 months in the life of an overworked procurement manager, are you wondering how you can overcome the pain points you're facing on a daily basis?

For the past 15 years, we have helped customers across 102 countries overcome similar procurement pain points with our integrated Source to Pay (iS2P) software. We'd love to talk and discuss how we can help you.

You can call on us +44 (0) 161 367 8375 or send an email to info@waxdigital.com.

About Wax Digital

Wax Digital delivers the web's favourite integrated Source to Pay solution to savings-focused organisations around the world.

Our intuitive web3 solutions are deployed via the cloud in Purchase to Pay (P2P) and Source to Contract (S2C) modules or as a completely integrated Source to Pay suite (iS2P).

Seamlessly integrated with back-office systems **web3** brings control, compliance and cost savings throughout the entire purchasing lifecycle, serving 260,000 users in over 100 countries and carrying tens of millions of transactions annually.

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