

Just What is an End-to-End Platform for Source to Pay?

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In Part 1 of this three-part series, we discussed how the rise of the platform is procurement's future and gave supporting use cases to explain this argument.

Recap

We came to the above conclusion because even though suites solved many of the problems of independent, standalone modules to support integrated procurement processes in terms of data management nightmares, process inefficiency and visibility gaps that were common with first generation "best-of-breed" solutions, many mature organizations are increasingly finding that suites are not enough if they do not connect into larger enterprise processes and support the stakeholder organizations that procurement needs to work with.

Are you with us? If you are, then you know that something else is needed: a source-to-pay (S2P) procurement platform that goes beyond simply supporting the basic sourcing and procurement processes.

But what is this platform? Before we could answer this, we first had to define where suites break down. In [Part 1](#), we noted that the average suite can break down for a best-in-class procurement when it comes to specific initiatives. Examples include:

- Supporting future needs visibility, which allows procurement to stop being reactive and start being proactive.
- Workflow, which allows procurement to tackle indirect commodity, direct materials and services spend using appropriate processes and platform capabilities.
- Post-procurement project support, which allows procurement to ensure products and services bought to support the organization, versus the organization's customers, are properly inventoried, tracked, used and accounted for throughout their lifecycle internally.

We also noted that any platform that overcomes these major suite deficiencies and enables the organization to integrate procurement seamlessly with other key enterprise manner that maximizes efficiency, effectiveness, sustainability and overall value would take an organization to the next level of performance.

Putting it Together: The Elements of a Suite

These examples point to what is necessary to label a procurement suite a “platform” – or not! In short, a suite-based platform must be:

Workflow-Driven

A platform must bring configurable workflow that can be customized to each type of spend made by the organization (and ideally at more granular levels by organization, division, role, hierarchy, system, etc.). Further, it must be able to adapt to the products or services that an organization is purchasing to insure the appropriate data is captured, evaluated and approved only by authorized individuals.

Process-Oriented

A platform must bring the appropriate features and functions to support not only the spend categories but also the processes that accompany them. For example, the process to source, acquire, capture and track assets is different than that required for consumable and MRO spend, which is itself different than the process to source goods for resale which often go from supplier factory to retailer warehouse and never even pass through the company's warehouses.

Open by Design

A platform must be open and integrate with other systems (both internal and external). For example, data from an inventory, HR and engineering systems is needed to kick off sourcing projects, and data from a procurement system is needed to populate not just the ERP but also the (W)IMS, asset management, contingent workforce management and other systems that use the products and services obtained by supply management. Such levels of integration ideally require a platform be built on open standards, but at minimum, it requires an open API that will allow the system to connect to all other key systems without any “hard-wiring.” Moreover, with a platform-based approach, a systems upgrade should not break any of these existing integrations or linkages.

Easily Extensible

Procurement is constantly evolving, and not surprisingly, its needs are evolving too. Similarly, so are the capabilities of best-of-breed platforms designed to support procurement and the extended source-to-pay process. As a result, an organization will not only need to tap into other systems to get appropriate data and push extended data into other systems, but it will also need to integrate new modules and functionality to support existing processes and add new one as spend categories get modified and added.

Adding it Up: The Platform Equation

In other words, a platform is what you get when you:

- Fuse a procurement application with an enterprise business process software framework
- Add in open API structure to the mix that allows an organization to use the platform not as point-based solution applications but as the foundation for enterprise procurement and supplier

management both internally and externally regardless of system used to conduct the activity

With a suite-based platform model in deployment, procurement organizations will achieve a level of capability that exceeds what they had before.

And this is why a platform-based approach is key to enable next generation procurement, and also why, as time progresses, platforms models will become the standard.

But what does a source-to-pay platform look like today? We'll address this in the third, and final, part of our series.

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