Trouble with buyer adoption?

Try looking at P2P through the buyers' eyes

SPEND MATTERS BRAND STUDIO

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RPA bots make it easier for buyers to adhere to best practices

Even the most customer-centric companies can have a blind spot when it comes to their own buying processes. They invest in the most sophisticated e-commerce platforms that make it possible for external customers to buy their finished products and services at the click of a button. But they expect their own employees to follow sometimes convoluted purchasing processes using complex or antiquated procure-to-pay (P2P) technologies.

Pretty much everyone in an organization is a stakeholder in purchasing: whether it is a production manager who needs to order vast quantities of direct materials or components, a marketing team buying agency services, or a facilities manager buying office furniture, buying happens throughout the organization. Companies may have done well to replace purely manual and paper-based systems, but that is nothing to boast about these days. In fact, technology that is difficult or inconvenient to use, or which slows down the buying process, may even be worse than manual systems if people get frustrated and go outside the system.

And that includes dedicated procurement professionals — people for whom buying is a full-time occupation. According to a recent report by Oxford Economics for SAP, "Four out of ten (41%) executives say low adoption of new processes and technologies within the procurement function is a barrier to digital transformation."

As we wrote in "**P2P implementations: Why you'll have to rock the already-rocking boat**," supplier adoption is often a challenge for companies that introduce supplier portals and other online platforms. Portals meet the internal needs of the organization, which are probably fairly unique. But they give too little thought to how this looks from a supplier's perspective — a supplier that has to contend with the idiosyncrasies of several such portals every day.

But we find that in many organizations, low buyer adoption is also a key issue. That's also the result of traditional P2P technology taking an "inside out" view of buying. It's time to think "outside-in," i.e., from the viewpoint of the (human) buyer rather than from the perspective of putting information into a centralized procurement system. We need to "easify" the buying process, from RFx to payment.

But why is buying so difficult? Procurement has to make large but infrequent purchases on behalf of budget-holders such as the facilities manager or the marketing manager. Each time they have to learn things afresh. And even when it comes to categories that they buy on a regular basis, needs change and there's staff turnover.

For these and other reasons buyers have limited knowledge of what information needs to be entered into an RFx or a purchase order. It's time-consuming when there's so much else to do. That's not to say there is anything intrinsically wrong with your P2P solution or using your ERP system for purchasing. But there is a challenge: buyers in private companies and public sector organizations increasingly expect an easy and convenient buying experience, like they get as consumers. When they don't, it can be intensely frustrating.

However, there is as solution: applying an additional overlay to your P2P or ERP system (or, for that matter, more basic systems) that protects the buyer from all the procurement-specific requirements and guides them effortlessly through the buying process.

Making "management by exception" the exception

When you make the buying process easy, you get less need for interactions between purchasers and stakeholders asking, "What do I have to input here?" and "What exactly does this mean?" So it's also beneficial to everyone involved in procurement. Sure, you will not eliminate every query or every snag. That's life. But robotic process automation (RPA), using artificial intelligence to fill in most of the gaps can help make the exceptions an exception, so to speak.

Nipendo calls this "intelligent hyperautomation." Our platform provides P2P process governance, compliance management and error removal. Advanced software bots guide buyers through all the RFx and P2P workflows and processes for all direct and indirect categories. The software, which resides in the cloud, leverages this technology to take away the pain of organizational buying.

This in turn leads to high rates of buyer adoption – typically 95% buyer adoption within 12 weeks of a Nipendo implementation project. For procurement, this means the elimination of maverick (off-contract) spend. More spend comes under management. Suppliers love the technology too, with a staggering 93% uptake, giving buyers access to a more diverse range of vendors.

But it doesn't end there. The other major stakeholder in P2P is accounts payable. Nipendo simplifies the entire process of receiving invoices by automating their reception and ensuring they are accurately captured by the purchaser's accounting platform. RPA bots regulate outbound and inbound communication with suppliers so that every information exchange between the buyer and suppliers

encapsulates the entire context and history of the interaction. This means that when a supplier invoice is received, the system is already aware of the entire history of the order, including the pricing and terms, whether the goods were received, when, and in what condition.

AP staff see more information and fewer problems. Rather than spending their day responding to payment status emails and comparing PO numbers and quantities delivered on invoices, accounts payable can focus their attention on the more important elements of their job. And without those nagging doubts that everything is in order: in accounts payable too, RPA bots provide process governance, compliance management and enforcement, audit and validation, dispute resolution and discrepancy management.

End result: both buyers and AP staff get the same command and control they would get from a standalone middleware system such as Ariba, Coupa, Ivalua and Jaggaer but without having to log into anything other than what they do today, and without having to cope with the messy detail.

Whatever system you are currently using for purchasing and accounts payable, we're confident you will experience higher buyer adoption and greater user satisfaction with Nipendo.