

A Day in the Life of a Procurement Professional

5 Questions to Better Understand Why Content in Context is Critical



What does it mean for procurement processes to be both intelligent AND connected... and why is Intelligent Content Automation important to a procurement professional? Procurement processes have many players, many different types of documents, and a direct impact on the bottom line. Procurement processes that are suboptimal in many organizations due to the failure to consider the context in which content flows through these processes and how content is integrated into an ERP system. Intelligent Content Automation is more than just delivering content in the context of key business processes which is critical, it's also about improving information agility and the ability to respond to disruption in procurement processes allowing departments to be more responsive.

1. Why is Procurement a strategically important process?

The implications of the failure to fully integrate content into Procurement processes carry significant financial implications and risks. As a result:

50%

More than 50% of financial leaders feel that their organization's procurement function doesn't always work as a strategic partner to the overall business.¹

34%

say supply chain issues are among their top three concerns in the current climate.¹

61%

Most CPOs (61%) say procurement-related risks have increased and their confidence level on the ability of procurement teams to deliver on strategy has slipped from 49% to 46% over the last 12 months.²

2. Is "Procurement" really a single process?

Procurement within an ERP system are collections of multiple processes that include people, tasks, data, and content. Intelligent content automation requires you to connect all of these things together to work as one, providing a 360 view of operations and simplified access to information, to improve efficiencies while mitigating risks:

A common language and framework for thinking about how digital content supports the process.

A common strategy for dealing with the content that flows across them.

3. Why is Content in Context particularly important in Procurement?

Internal procurement processes are engulfed in masses of documents and information, in incompatible files, formats, and systems. Departments often struggle with the chaos and complexity. ERP systems provide the data, entry screens, and workflows to manage this request-through-purchase process. However, they often do not capture the information needed to justify the requisition. Intelligent Automation helps these systems do a better job of aiding purchasing departments in capturing and attaching the necessary content needed to justify the requisition and the purchase order with the important information required. These documents include:

Forecasting sheets, supplier information, product research documents, and regulatory information.

Requests for quotation documents (RFQs), inspection sheets, and approval documents.

Contracts, orders, purchase orders, estimates, and correspondence.

Manufacturing documentation, supplier data, bills of lading, freight bills, proof of delivery, and invoices.

Functional testing reports, inspection reports, supplier quality data, materials data, defect reports, and defect resolution workflows.

4. What are the warning signs of a failure to integrate content into your Procurement system?

Content related to vendors and procurement processes (such as purchase orders, contracts, and vendor audit information) is fragmented across multiple applications, forcing users to work with multiple user interfaces. This inefficiency causes productivity to go down, which, in turn, causes risks to go up.

"Two screen" knowledge workers who must manually "connect" (via copy/paste) content and ERP data.

"Maverick" and uncontrolled procurement.

Poor data quality and consistency, leading to the information ripple effect.

Difficulty producing relevant documentation during audits and litigation.

Lack of consistent records management retention, and disposition practices.

Supplier and customer frustration due to failure to produce timely information.

5. How can Content in Context and Intelligent Automation improve supplier relationships?

As external supplier relationships become more strategically important, the operations of manufacturers and their supply chain become more intertwined. When information about these relationships is scattered across multiple systems and applications, it becomes impossible to understand the context of the relationship – and prioritize the important ones. Supplier relationships are at the heart of the procurement process, and information provides the context for these relationships. As situations can change rapidly, having visibility and access to the right content at the right time is crucial to making the best decisions for the business.



"Companies looking for opportunities to create competitive advantage invest in partnerships and innovation."³

Moving Forward

Enable Workers to Do More

Getting the right information to the right person in context is a problem for 75% of organizations. Isolated content silos that make automation of a process like procurement nearly impossible.

Increase Automation and Productivity

On average, nearly 50% of organizations say their procurement and supplier contracts activities are at least 75% manual.⁴

Optimize Operations to Reduce Costs

Procurement is a key process but does not happen in isolation. In order to tackle challenges that every organization is facing bringing procurement information into the context of other processes such as manufacturing, supply chain is required.

Cut Costs and Change Faster

A clear majority of organizations are using the Cloud to accelerate digital transformation with more choice and flexibility in how and where solutions are deployed. Cloud services support over half of their infrastructure and applications, and represents a third of the IT spend.⁵

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Learn more about how OpenText is empowering intelligent and connected business processes by connecting critical content insights to lead ERP business systems.

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AIIM helps organizations improve their performance by transforming the way they manage their information.

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Notes:

¹ PwC 2019 – 2019 Trendsetter Report.

² Deloitte 2019 – Global Chief Procurement Officer Survey.

³ McKinsey 2020 – Reimagining Procurement for the Next Normal.

⁴ AIIM 2019 – Industry Watch – Using Intelligent Automation.

⁵ IDG 2020 – 2020 Cloud Computing Study.