



Five Catalog Management Myths Busted

E-BOOK



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Executive Summary

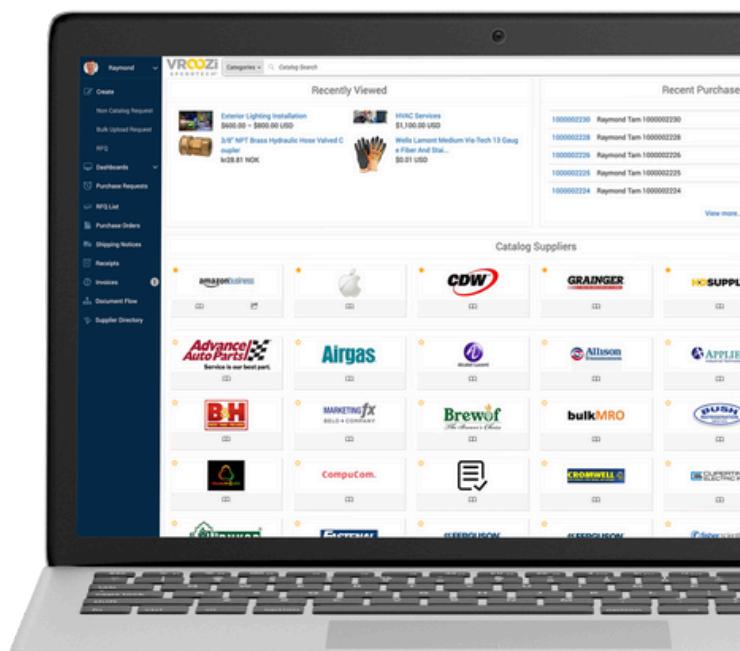
We're here to dispel the myths that catalog management is an expensive, overly-technical way to digitize your data and, instead, enlighten you to the multitude of benefits that can be felt across your entire organization. Even as organizations become aware of the benefits that are provided by eProcurement and catalog content management, many still fail to see the extent of benefits that catalog management can offer them.

SINGLE DIGITAL MARKETPLACE

Catalog management represents a solution for organizations to consolidate data into a single digital marketplace. Like catalog management, the cloud is often a misunderstood concept in the digital business world. Cloud computing, on the whole, is a way to store and access a common network of information from any device, desktop to mobile, without needing to manage any additional hardware or software. Enterprises looking to leverage an internal marketplace to store their suppliers' information can do so using a catalog management Software as a Service (SaaS) application.

Prior to the development of catalog management solutions, a master data management (MDM) tool served to define and manage an organization's data into a single point of reference. MDM tools helped to consolidate data by maintaining standards and removing duplicates. A precursor to modern catalog management technology, MDM helped to pave the way for how solutions processed a master source of cohesive data. Catalog management propels this solution with advancements in data formulation, accessibility, and customizing characteristics for data sharing and repurposing, such as the ability to open shop on the web.

[Read on to see what is fact and what is fiction in regards to utilizing this eCommerce solution.](#)



Myth #1

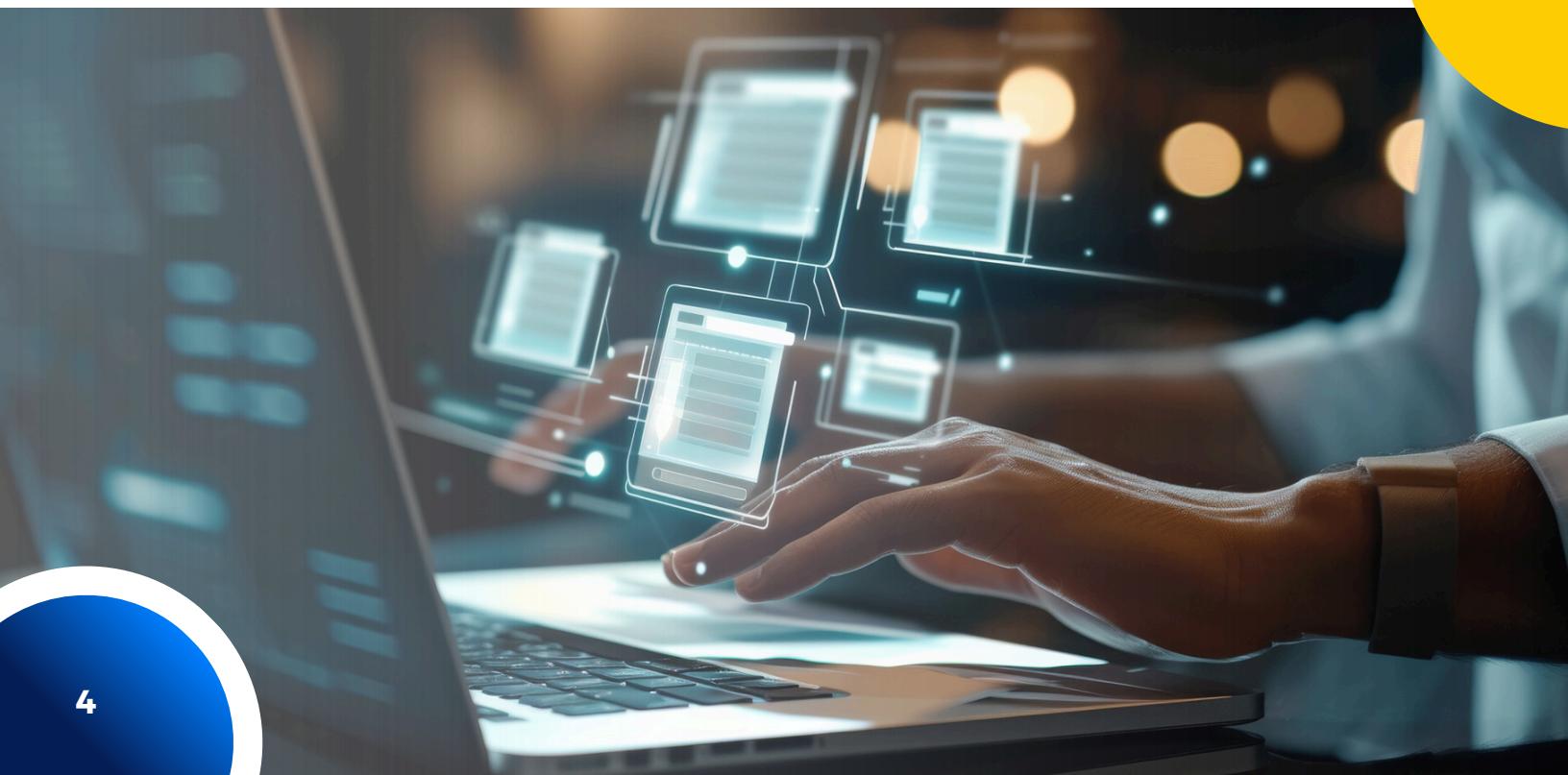
Catalog management is an IT business

Catalog management is a great way to consolidate data into a single source of truth for all customers, suppliers, processes, and policies. Because catalog management traditionally required IT involvement as a backend process for coding numerous data sources into a single repository, it has largely been seen as an overly technical method of coalescing supplier catalogs with negotiated pricing and service agreements into a single marketplace.

Many people out there still view catalog management merely as an extension of an IT business. Countless organizations that are considering leveraging catalog management solutions believe that the process will take months in order to load any of their supplier catalog information into the system. By then, of course, the catalogs will have become largely, if not entirely, out of date.

CATALOG MANAGEMENT REQUIRES BOTH BUSINESS AND TECHNICAL KNOWLEDGE

Another problem exists where the business knowledge of the catalogs reside in the procurement team, while the IT staff is in full-control of the technical aspects of the organization. The back-and-forth in requests and clarifications between the two factions only leads to further delays in the procurement process. If the catalogs can't be imported into a catalog management system in very short order, there's very little incentive for partaking in the process.



Truth #1

Procurement can now manage its own catalogs

Catalog management took an IT process in the past because it required programming. Nowadays, powerful catalog management tools like Vroozi smartOCI don't require any coding skills or programming knowledge. As long as you can fill out an Excel spreadsheet, all you have to do is import the file, approve the content, and publish your catalog. With Vroozi, business and technical solutions are a seamless integration. In fact, loading and managing your catalog is as simple as a drag-and-drop from Microsoft Excel into your marketplace.

With a catalog solution where coding isn't required, catalogs can now be created and easily maintained on a daily basis by the organization's procurement unit. A user-friendly solution for loading catalogs has simplified the entire catalog management process to the point where it is no longer a project competing for priority against all other IT projects. This way, both the business knowledge and technical knowledge can be centralized in one place—the procurement organization.

LOAD CATALOGS IN MINUTES

Innovative procurement organizations have no trouble onboarding thirty suppliers in thirty days. Because the procurement team can easily handle the entire process, changes in catalog inventory or pricing can be executed as soon as the decision is made. Best of all, suppliers can maintain their catalogs via the supplier portal and the organization just needs to approve or reject the content. No hardware or software is required to improve your catalog management process for better business shopping.

Catalog management, like its master data management (MDM) predecessor, can serve a much larger purpose than simply consolidating data. While the solution is certainly beneficial in matching data, removing duplicates, and ensuring consistency, the real benefit to catalog management technology is in the utilization of master data, not its assembly.



Myth #2

Servers cannot handle the escalating number of items from suppliers

One prevalent misconception about catalog management is the concern over server capacity. Many organizations fear that their servers and hardware cannot handle the massive volume of supplier catalogs, which deters them from adopting catalog management solutions. This concern stems from a time when on-premise server limitations were a significant barrier to handling large datasets.

Historically, managing extensive datasets required substantial on-premise server infrastructure. These servers needed continuous upgrades and maintenance to accommodate growing data volumes, resulting in significant costs and logistical challenges. Organizations faced the risk of running out of storage space, experiencing slower processing speeds, and dealing with frequent system crashes as the number of catalog items increased. This often led to a fragmented and inefficient procurement process, making it difficult to maintain a single source of truth and ensure data accuracy across the organization.



Truth #2

Cloud offers scalability, performance, and fail-over

With the advent of cloud computing, these concerns are now largely obsolete. Cloud-based catalog management solutions, such as Vroozi's procurement platform, leverage the power and scalability of cloud infrastructure to handle extensive supplier catalogs effortlessly. Cloud services, like those provided by Amazon Web Services (AWS), offer robust database, storage, analytics, and deployment capabilities that are crucial for managing millions of items in a single marketplace.

CHOOSE REPUTABLE TECHNOLOGY

Benefits of Using AWS for Catalog Management

AWS, which also serves high-profile clients like the Central Intelligence Agency (CIA), ensures that cloud-based catalog management solutions can scale dynamically according to demand. This scalability is vital for enterprises managing large and growing numbers of catalog items. AWS provides not only the necessary storage and processing power but also ensures high availability and fail-over support, meaning that the system remains operational even in the event of hardware failures.

Variety in Cloud Computing Models

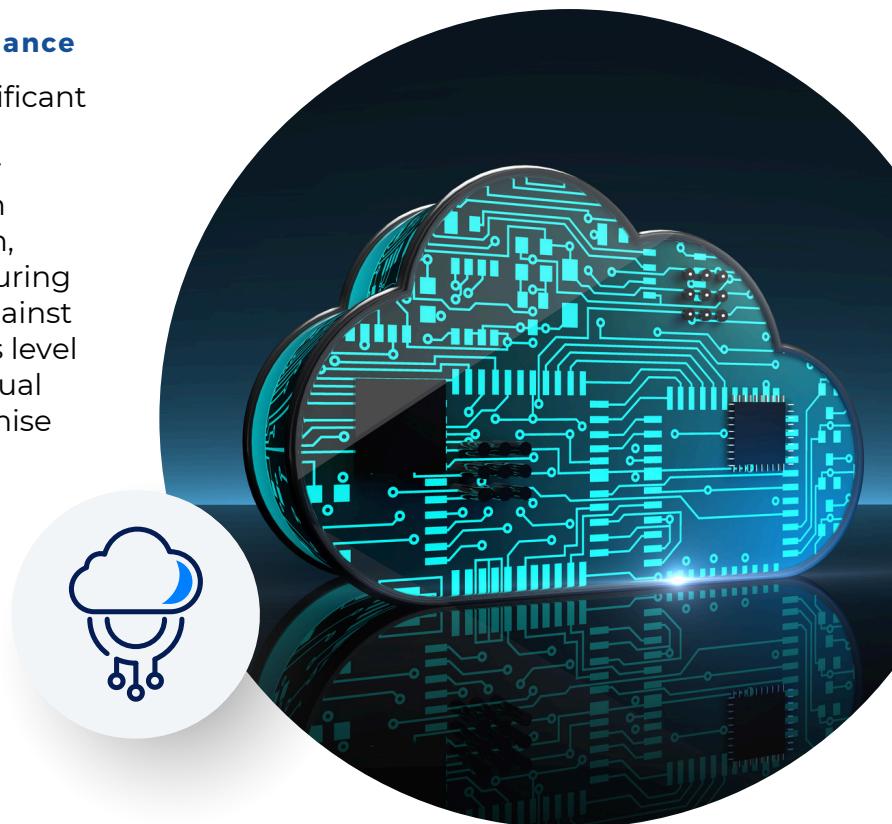
Organizations can choose from different cloud computing models, including public, private, and hybrid clouds, each offering various levels of control and flexibility. Public clouds like AWS distribute server capacity across numerous clients, efficiently scaling resources up or down as needed. This elasticity ensures that organizations never run out of server space, no matter how much their catalog expands.

Implications for Procurement and IT Teams

Adopting a cloud-based catalog management system also has strategic implications for both procurement and IT teams. The cloud model offloads the burden of managing and maintaining physical servers, allowing IT departments to focus on more critical tasks. Meanwhile, procurement teams benefit from real-time updates and seamless integration of new supplier catalogs, leading to faster procurement cycles and more accurate inventory management.

Ensuring Robust Security and Compliance

Security and compliance are other significant benefits of using cloud-based catalog management solutions. AWS and other leading cloud providers invest heavily in security measures, including encryption, access controls, and regular audits, ensuring that organizational data is protected against unauthorized access and breaches. This level of security often surpasses what individual organizations can achieve with on-premise solutions.



Myth #3

Catalog management is an expensive investment

Many organizations hesitate to adopt a catalog content management tool due to perceived high costs and complex pricing structures. Traditional buy-side/sell-side platforms often charge transaction fees for both suppliers and buyers, leading to hidden costs. Suppliers might pass these costs onto buyers through higher product prices or service fees. Additionally, the total annual cost for the buy-side organization often remains unclear until the year ends, creating uncertainty and budgetary concerns.

Truth #3

Transparent monthly subscriptions promote business clarity

In reality, modern catalog management solutions like Vroozi's offer upfront and transparent pricing. Vroozi provides a straightforward monthly per-user subscription fee for buy-side users with no costs for suppliers. This model ensures affordability, predictability, and trustworthiness.

When choosing a catalog management solution, prioritize transparency. Look for solutions with clear monthly subscription fees that cover system usage, technical support, maintenance, and upgrades. Avoid platforms that impose hidden fees for joining the marketplace or for each transaction.

Unlike other eProcurement marketplaces, Vroozi does not charge transaction fees, regardless of the monthly spend. Vroozi's all-inclusive membership fee fosters a healthy, active marketplace by ensuring a transparent and straightforward process for all parties involved. This approach allows buyers and sellers to do business on their own terms, without the burden of additional costs imposed by the platform.



Myth #4

Catalog management is only used for storing products

Many believe catalog management is merely about archiving products in a digital format, similar to scanning and uploading from physical catalog books. This misconception stems from outdated practices where businesses relied on static, scanned copies of their physical catalogs. These digital archives lacked functionality, making them nothing more than virtual storage spaces with limited utility.

Such an approach fails to recognize the dynamic nature of modern catalog management systems, which have evolved far beyond simple storage. These systems now offer robust capabilities that enhance procurement processes, streamline operations, and provide valuable insights into organizational spending patterns.



Truth #4

Catalog Management Offers Strategic Flexibility and Organization

A robust catalog management system is far more than a storage solution. It provides organizations with the flexibility to creatively organize both products and services into strategic categories, enhancing procurement efficiency and effectiveness.

In procurement, requests can be based on either quantity or amount, and these terms are not synonymous. Quantity-based requests involve ordering specific units of measure at a given price, such as purchasing ten laptops at \$500 each, totaling \$5,000. Similarly, a buyer might prepay for twenty hours of IT services at \$100 per hour, totaling \$2,000.

Amount-based purchases, on the other hand, involve more qualitative services. For example, a project manager might agree to pay \$6,000 for consulting services over the course of a network installation.

KEY FEATURES FOR EFFECTIVE CATALOG MANAGEMENT

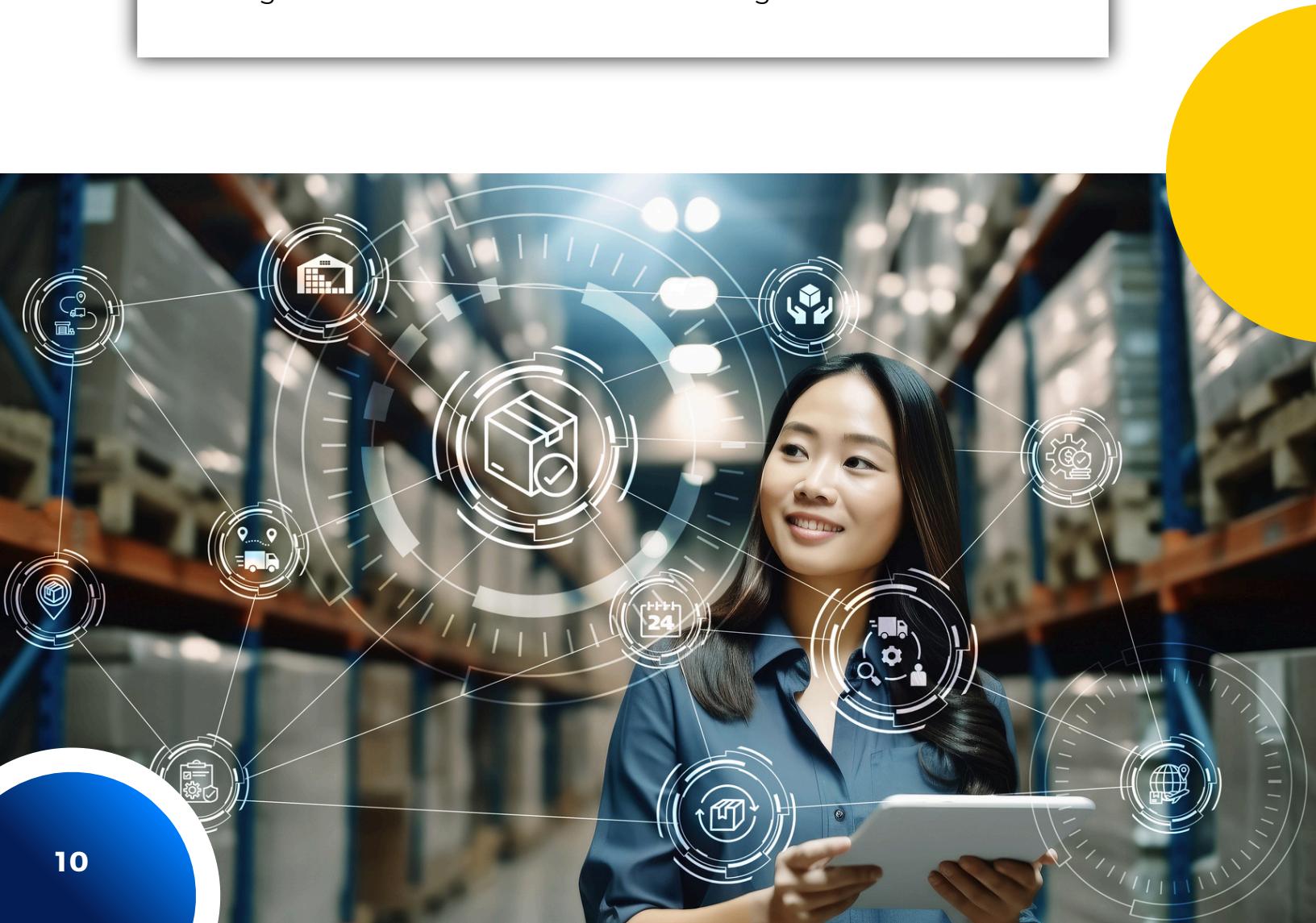
To accommodate both types of requests, it is crucial to choose a catalog management solution that offers flexible custom fields. These fields should support:

- Hourly Rate Calculation: For services billed by the hour.
- Bundled Pricing: For packages or bundles of services/products.
- Rate Cards: For predefined rates for specific services.



Customization options like radio buttons, drop-down menus, and write-in fields allow procurement professionals to define service parameters easily. These configurable fields ensure the catalog aligns with the specific business requirements and organizational offerings.

Modern catalog management systems should empower procurement professionals to manage and customize the catalog dynamically, ensuring it meets the diverse needs of their organization.



Myth #5

Catalog management only improves catalog data

While the primary function of catalog management solutions is to consolidate and organize catalog data, the eProcurement buying process encompasses much more than just the buying interface. For many organizations, catalog management is merely the starting point for redefining their entire procurement approach.

Truth #5

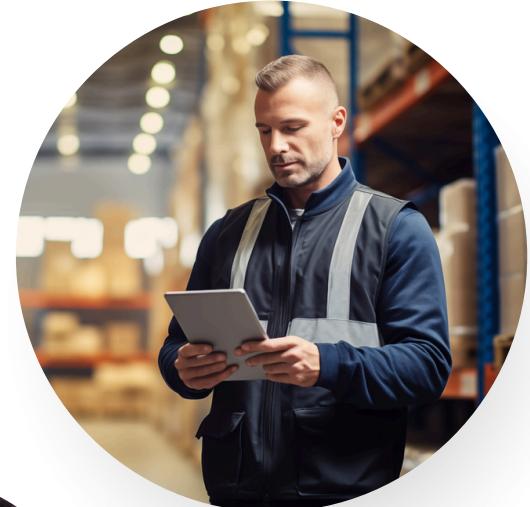
Empower Employees with a Comprehensive Procurement Tool

Catalog management extends beyond a digital marketplace for selling products and services. When effectively incorporated, it can significantly influence the behavior and efficiency of the entire organization.

Transforming Organizational Procurement Practices

Before implementing catalog solutions, organizations often restrict purchase requisition privileges to a few individuals, such as executive administrators, IT personnel, or designated buyers. This centralization means that other employees must request purchases through these gatekeepers, leading to delays and potential inaccuracies.

By establishing an easily accessible and preapproved marketplace for the entire organization, employees at all levels can directly make purchase requests. This empowerment fosters an entrepreneurial spirit among staff, allowing them to take ownership of procurement activities. The marketplace can be categorized by roles, ensuring that employees see only the products and services relevant to their job functions.



Streamlined and Automated Approval Processes

Once a purchase request is made, an automated approval process is triggered. This automation expedites procurement, aligning speed with accuracy and reducing administrative burdens. Employees can shop as they would in their personal lives, seeking the best value and competitive prices, rather than relying on a centralized buyer.

Cultivating a Spend-Conscious Culture

Empowering employees with procurement tools instills a spend-conscious mindset. When employees spend the company's money as they would their own, they are more likely to seek out acceptable prices, compare vendors, and find the best deals. This shift not only improves procurement efficiency but also drives cost savings across the organization.

By decentralizing procurement and fostering a culture of accountability and entrepreneurship, individual employees become responsible consumers. This transformation benefits the entire organization, enhancing procurement practices and driving overall operational efficiency.

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The **fast ROI, ease of use, and cost effectiveness** made our decision to choose Vroozi easy. Within two months, we went from zero catalog usage to onboarding 16 catalogs onto our marketplace.

– Robert Johnson,
Division Vice President for Non-Food Procurement

 ARYZTA

Are you ready for better catalog management?

A comprehensive understanding of catalog management solutions can significantly enhance an organization's overall business competence. By dispelling common misconceptions about catalog management, we introduce a robust and user-friendly solution for developing your own eProcurement marketplace.

The industry-leading Vroozi smartOCI platform empowers organizations to elevate their business operations. Vroozi smartOCI is trusted by numerous Fortune 500 companies across various industries, including manufacturing, aerospace, healthcare, and entertainment.

Key features of Vroozi smartOCI include:

- **Seamless Integration:** Vroozi smartOCI integrates effortlessly with major ERP systems such as SAP, Oracle, PeopleSoft, NetSuite, IBM, and JD Edwards, using OCI or CXML formats.
- **User-Friendly Interface:** Designed for ease of use, the platform ensures a smooth transition and quick adoption across the organization.
- **Scalability:** Suitable for companies of all sizes, Vroozi smartOCI can scale to meet the needs of growing businesses.
- **Enhanced Procurement:** The platform supports strategic procurement by enabling efficient and accurate purchase requisitions, approvals, and vendor management.

By leveraging Vroozi smartOCI, organizations can achieve greater transparency, efficiency, and control in their procurement processes.

Schedule a Vroozi demo today to transform your procurement process and unlock new levels of efficiency and savings.

[Book a Demo](#)

