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RESEARCH

## Procurement Checklist: How to Boost Employee Adoption of Technology and Maximize Value

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Employee adoption of tools for spend and cutting costs is a critical and often overlooked key performance indicator for procurement. When employee adoption is low, procurement value is limited. For enterprises, the combination of aging technology and process adoption has five primary business consequences:

1. Less spend under management and visibility
2. Increased maverick buying and rogue spending
3. Higher landed costs for goods and services
4. Increased risk due to purchases with non-authorized vendors
5. Less efficiency, resulting from paper-based and/or manual processes

Part of the problem is the nature of enterprise purchasing. Enterprise procurement leaders need deep and feature-rich solutions that enable them to find, maintain and control spending and savings. Employees, on the other hand, need a simple, consumer-like buying experience that allows them to get the goods and services they need quickly and seamlessly to more successfully run the business. Often, those two goals can be at odds.

“Employee adoption of your procurement systems has always been one of the biggest challenges for procurement leaders,” said Joe Fox, CEO of Vroozi, a provider of spend management, marketplace and invoicing automation solutions. “Even marginal improvements to adoption can have a significant impact on procurement value and percentage of spend under management. Today, the good news is that we’re not talking about marginal improvements – technology innovation equips organizations to make monumental improvements to adoption, with game-changing results. Adding a modern system alongside your existing procurement platform creates a more seamless buying experience for your end users without requiring full replacement of your existing procurement investment.”

### How to modernize your approach to procurement

The advanced technology available in the procure-to-pay arena offers procurement leaders viable ways to modernize their current ERP, procurement and financial systems by augmenting them with a digital marketplace that drives higher employee adoption and greater procurement value.

Choosing an easy-to-use platform that can integrate with existing systems, like SAP SRM, IBM Maximo, Microsoft Dynamics and NetSuite, helps guarantee success; a tool that is designed to complement your existing software investment that is robust and feature-rich enables buyers to use the procurement system while generating negotiated savings.

"There are several essential steps to modernize your approach to procurement. They all start by improving access, automation and usability," said Fox. "You don't need to rip-and-replace your entire stack. The key is finding new tools that integrate and add value to your existing system and processes."

Here's a checklist of things to look for when considering integration partners:

- **Ease of use.** Employees want easy access to the goods and services they need to run the business. This means they should be able to find and buy goods and services as simply as they do with their favorite online shopping platforms, like Amazon and Google. When platforms function in this manner, there is little training needed to use the tool, and that increases adoption, productivity and the return on investment.
- **Mobile-friendly.** Today's mobile and remote workforce requires access to goods and services, wherever and whenever, especially in light of the COVID-19 crisis, which has forced more organizations than ever to work remotely. Some questions to consider regarding your current tech offerings:
  - Do you have a mobile app for employees to use?
  - Can procurement find, request, approve and buy regardless of location?
  - How quickly does your system help employees find what they need, request it and complete the purchase?
  - Does your platform allow you to maintain the necessary content in your supplier marketplaces and catalogs on both in-office and mobile platforms?
  - Procurement teams need the capability to create, review and approve orders quickly to streamline the purchasing process. If employees think the procurement approval process takes too long, they will find a workaround or create their own processes to remain productive. Automated workflows are essential as they cut down on exceptions that can slow processes.
- **Budget visibility.** Employees requesting a purchase need to be able to see spend against budget for their programs and departments. Real-time visibility will help employees make smarter decisions that require less back and forth with procurement.
- **Integration.** The platform needs to integrate and add to what your company currently uses. For global enterprises, creating an entirely new procurement process is daunting. Find a partner that will easily mesh with your current process and technology.

## The reality of the situation

How do procurement departments achieve these goals? As mentioned above, the thought of implementing an entirely new system can be mildly terrifying. Thankfully, it isn't necessary to replace your entire ERP, procurement or financial system to integrate the latest technology. The tools necessary to create modern procurement and accounts payable automation systems can be implemented as add-ons to existing procurement platforms and be functioning within weeks. For example, you can augment your SAP SRM solution with a mobile and digital supplier marketplace, which adds even more value to an already incredibly powerful system. The same type of approach can be taken across S2P, financial and ERP platforms. Selecting a solution with enterprise-grade functionality can provide the option to implement all at once or in stages.

Adoption of new technology is key to procurement's success, but failing to seriously monitor and address it can have negative consequences. If workers continue to use antiquated, manual processes and direct-supplier e-commerce sites, the total cost of products and services are higher because of the increased labor costs associated with the paper-based process and rogue spend. Error rates also remain high.

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“When technology brings all of a company’s procurement functions together, overall value increases, risk is reduced, rogue spend decreases and visibility increases,” Fox said. “It can also be used across departments to rein in some of the same issues found in procurement while making it easier to track budgets company-wide. All of a sudden, procurement is making a more strategic contribution to the business.”

By rethinking your procurement strategy around new technologies, your company will maintain enterprise control and functionality while offering mobile access and a comfortable, consumer-like buying experience to users. This means procurement leaders will remain in control and procurement teams are more likely to buy into the change.

“Despite the broad employment volatility caused by COVID-19, enterprises still face serious competition for talent. Given the uncertainty we face today, procurement is more important than ever,” Fox said. “Adopting modern technologies designed for use in the office, mobile or remote can boost employee satisfaction and productivity, along with remote productivity. Enabling your workforce to work remotely is critical today to keep your business running smoothly and positions you and your organization to be more competitive as we come out the other side of these uncertain times.”



*Vroozi provides mobile-first spend management, eProcurement, marketplace, and invoicing automation solutions for midmarket and enterprise customers. With the Vroozi Cloud platform, organizations optimize and automate how they purchase, invoice, pay, and collaborate with their supplier population for goods and services. The Vroozi technology is centered around an intuitive and powerful user interface that allows for immediate end user adoption.*