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ways data-centricity
takes eProcurement
to the next level

Snapshot: What's wrong with non-data-centric eProcurement

1. They can't handle sophisticated eEvaluation
2. They can't easily integrate with other systems
3. They don't support much process automation
4. They generate relatively crude reports
5. They give you a lot less control

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ways data-centricity takes eProcurement to the next level

First, what is 'data-centricity' and why does it matter?

Simply put, data-centricity is where a system stores and exchanges information as discrete pieces of data. Many eProcurement systems merely allow buyers and bidders to exchange information held inside documents - Word documents, Excel spreadsheets or PowerPoint slides, for example.

Data-centricity means you can make use of all the information in the system about your tender. You can select, analyse, import, aggregate, manipulate and process it.

Data-centricity boosts the performance of eProcurement by enabling more automation and re-use but also by providing more intelligence about your procurement activity. Data-centricity takes eProcurement to the next level. But beware: many eProcurement platforms are NOT data centric. They have significantly less functionality and offer far fewer benefits as a result.

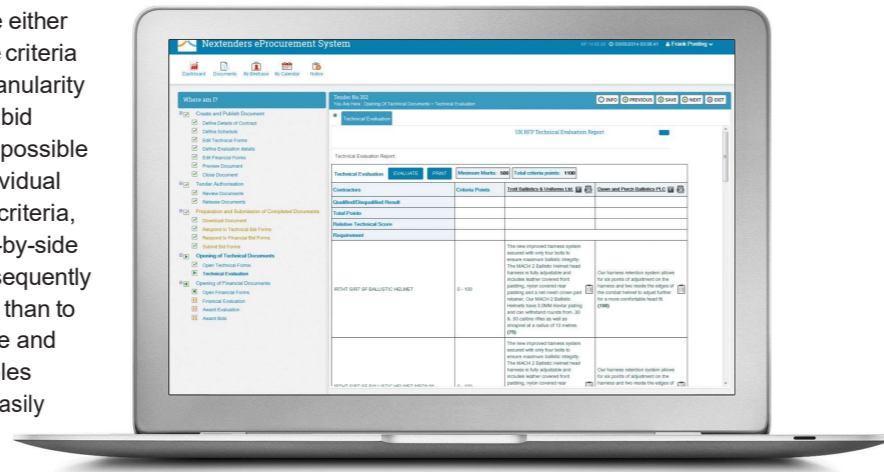
1 Delivering true process automation

A data-centric system will introduce the optimal degree of automation to all your bread and butter procurement processes. This includes the preparation of bids and tenders, the evaluation of bids (see below), the award of tenders, the PO and post-PO processes, eInvoicing, and online contract and fulfilment tracking. A non-data-centric system, on the other hand, can do none of these things, because it does not understand the information held within documents.

2 Providing sophisticated eEvaluation

Bid evaluation sits at the heart of procurement and can be a time-consuming and complex task. Which is why the eEvaluation capability of a data-centric eProcurement platform is so important.

Data-centricity enables you to create either standard evaluation criteria, or unique criteria for specific tenders. Because of the granularity of how data is handled, data-centric bid appraisals can be very finely tuned. It's possible to weight whole sections, or just individual questions. And once you set up the criteria, you can evaluate and generate side-by-side rankings at the press of a button. Consequently it takes no longer to evaluate 20 bids, than to evaluate two. eEvaluation saves time and maybe even more importantly, it enables fiercer competition because you can easily process a much larger number of bids. Without data-centricity you are left struggling with clumsy spreadsheets. With data-centricity, you get instantaneous and accurate comparisons.



3 Giving you greater control

Data-centric systems handle information at a much more granular level. This means that you can specify and process much more precise product and service requirements. Instead of getting broadly what you want, you can ask for and receive exactly what you want – data-centricity gives you more control over the entire procurement process.

Additionally, the refinement that can be achieved in a data-centric system enables you to put in place process improvements and better workflows. These can make you procurement conspicuously more efficient as well as helping to ensure that your operation is fully compliant with existing legislation and best practice.

4 It's great to integrate

A key strength of any electronic system ought to be its ability to integrate with other systems. With data-centricity there are few restrictions on how much integration you can achieve. You can integrate both with your own internal systems and with external ones. For example, with your own financial accounting and budget systems; with external estimating engines and other product data sources; with ERP systems and with analytics engines.

Data-centric systems can also integrate with third-party systems to enable combined reporting across two or more systems. Without data-centricity all these tasks would have to be done manually. The capacity to integrate data expands the usefulness of your eProcurement system to a significant extent.

5 Supporting multiple levels of tendering and complex scenarios

No matter how complex the tendering situation you need to manage – in some sectors, like construction, there can be multiple levels of tendering, sub-tendering and sub-contracting – a data-centric system gives you a fundamental advantage. The capability to manage multiple sub-tendering or sub-contracting scenarios means that data about the tendering process can flow down to every level and participant automatically. Moreover, with a data-centric system the software will adapt to the procurement models that you already have in place. You can retain the ways of working that have evolved to work for your situation, no matter how complex the scenarios. Non-data-centric systems will force you to change what you do to fit in with that system's prescribed format, making them hard to implement and unsatisfactory to live with.

6 Putting imported data at your fingertips

Data-centric systems give you the ability to directly import information, be that cost estimation data (from internal or third-party systems) or historic internal data. The latter means that it's easy to re-use data from a previous tender, cutting down significantly on the time it takes to put new tender documents together. Data-centric systems can also provide template documents that make life easier for both buyers and tenderers, who can populate and update information online.

In addition, you can import BoQ (Bill of Quantity) data from estimating engines directly into your system and make use of it straight away. In some sectors this is hugely useful. For instance, in the construction industry it's possible to import Royal Institution of Chartered Surveyors (RICS) and Building Cost Information Service (BCIS) data at BoQ stage.

7 Benchmarking made easy

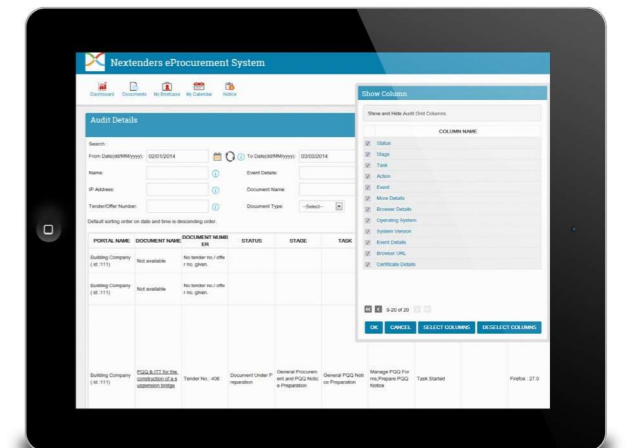
Data-centricity puts the power to cross-reference information at your fingertips. For example you can easily build a comparative picture of this year's tender against its equivalent last year – and the year before that.

As well as historic comparisons, you can compare across departments, or across suppliers, regions or sites. Data-centricity gives you the ability to benchmark key parameters and understand how your procurement compares. Benchmarking also matters because it provides a powerful negotiation tool when tenders are being contracted.

8 Delivering next-generation reporting

Because every action, task and piece of information is held in the database as a separate piece of data, there's no end to the reporting options available from a data-centric system.

Data-centricity provides flexible, agile reporting. It takes management information from crude assessments to clear insights into how things really are. Data can be retrieved and analysed in any configuration at any time, either through standing reports or bespoke enquiries. With a non-data-centric platform, all but the most basic reporting can only be done manually, by which time the information may already be out of date.



9 Bringing real-time verification and authentication

Data-centric systems let you integrate with other live systems, in real time, to verify time-sensitive information.

This might include integration with a tax management system, with Vehicle Registration and Licensing, with immigration and citizenship databases and with VAT databases. It enables real-time verification or validation of contractor data. You can get immediate answers to practical questions such as 'do they have enough vehicles to fulfil the tender requirements?' and you can find details instantaneously such as VAT numbers, or the DUNS number of an organisation.

10 Greatly reducing the possibility of corrupt practices

Data-centric systems record any and every change that is made to each and every field of data in the system. The system records who made the change and when, in effect leaving a digital fingerprint. So data-centric systems are 'tamper-evident' if the right safeguards are in place. Procurement auditing is straightforward – the entire story of the tender is there in the record. Also the possibility of corruption is very much reduced. No one can tamper with bids in the system without leaving the evidence behind.

A comparative functionality checklist

Data-centric vs Document-centric eProcurement

Function	Data-centric	Document-centric
Electronic notification of tenders on Internet	✓	✓
Posting of tender documents on Internet	✓	✓
Electronic bid submission and ePayment	✓	✓
Identify number of active tenders	✓	✓
Identify number of bidders per tender	✓	✓
Online tender preparation and bid preparation	✓	
Online evaluation of bids, award of tender and PO	✓	
Online pre-tender, negotiation and post-PO processes	✓	
Online contract tracking and fulfilment	✓	
Enterprise-wide integration of procurement process	✓	
See percentage of compliant bids	✓	
Cost comparison with previous tenders/historic data	✓	
Instant decision on winning bid or tender ranking	✓	
Compare evaluated bids with historic estimation data	✓	

Is the system data-centric? 5 questions you need to ask

- 1 Can my vendors populate bidding documents online using a web browser?
- 2 Can bidders' responses be automatically checked and validated - as they're submitted - to ensure they are in the correct format? For example, numerical, chosen from a specific list, in the correct units, not over a certain length etc.
- 3 Can my bid evaluations be done online at the click of a button, incorporating weighted technical and financial parameters?
- 4 Can vendor claims (such as financial turnover, tax clearance status etc.) potentially be verified online by reference to third-party (usually government) databases?
- 5 Can the solution integrate seamlessly with third-party ERP solutions without manual intervention?

If any of these questions are answered with a 'NO' – the system isn't data-centric, and your solution will be second-rate.

In conclusion

Data-centricity makes a very significant difference to the effectiveness of any eProcurement system. Yet the majority of platforms available on the UK market do not provide data-centric information management. This seriously limits the range of functionality they offer and inevitably reduces the value contribution they can make to your business.

As we've demonstrated, data-centricity really is the next generation of eProcurement. It supplies insights and analysis; real-time evaluation and genuinely supports complex and sophisticated procurement models. So don't get caught out. Demand a data-centric system.

