

SUPPLIER ONBOARDING

Six Secrets to a Successful Journey



THE SHELBY GROUP

Supplier Onboarding is a critical step in your journey to procurement optimization

The automation of procurement and AP functions has significant benefits for every company, regardless of size or industry. By eliminating paper from the requisition-to-pay cycle, you can increase visibility into spend; save buyers precious time in getting what they need, when they need it; reduce transaction costs for every purchase your company makes; save money by driving spending to pre-sourced channels; and create greater value by building stronger relationships with your best suppliers.

None of this can happen, however, without a carefully planned and executed supplier onboarding program. While more and more businesses are embracing the idea of procurement automation as a “no-brainer” candidate for digitizing business processes, many overlook or minimize the importance of the “block and tackle” tasks required to bring P2P initiatives to life.

As a result, key steps in supplier onboarding and enablement are often either begun too late or completed in a less-than-comprehensive manner. This causes significant delays, increases the cost of P2P implementation and ultimately erodes the value your company can achieve from procurement automation.

This eBook shares insights on what you should think about and plan for before you begin onboarding suppliers for your procurement automation initiative. It is intended to be a primer for building your company’s supplier onboarding strategy.



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Where are you going?



CREATE YOUR ITINERARY

What are your functional goals for procurement automation? These goals represent destinations on your company's journey to supplier enablement. At the most fundamental level, your goal should be to digitally enable your enterprise to pay the right vendor the right amount at the right time. To accomplish this you'll need to make purchasing easier for all of your internal buyers and make transacting business easier for all of your suppliers.

Three basic components will enable your company to automate procurement processes and transactions. These are electronic purchase orders, online catalogs, electronic invoices and business networks. Your supplier onboarding plan is an itinerary that charts the path to electronic enablement for all of your company's current and future suppliers.

THE FOUR COMPONENTS OF ELECTRONIC ENABLEMENT



**PURCHASE
ORDERS**



CATALOGS



INVOICES



**BUSINESS
NETWORKS**



Who will you invite?



IDENTIFY KEY SUPPLIER CONTACTS

**Waiting to build your
supplier database will
cause costly delays**

The most common mistake companies make in launching their procurement automation initiatives is waiting too long to begin the process of building their supplier information database.

You'll need accurate contact and category information not just for the key suppliers that represent 80 percent of your spend, but also for all of the suppliers who represent the remaining 20 percent of spend. Why? Because the smaller-spend suppliers will typically account for 80 percent of your transaction volume and represent a key target for reducing transaction processing costs.

Your journey to procurement automation begins with an up-to-date list of supplier contacts. Start building your invitation list now, even if you haven't finalized your decision about a P2P platform.



What crew will you need?

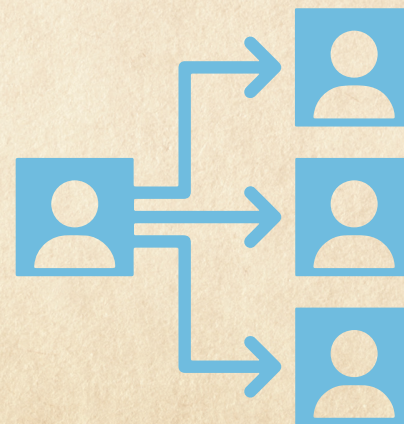


BUILD YOUR STAFFING PLAN

The second most-common mistake companies make is underestimating the internal resources needed to execute their supplier onboarding program. Who will perform the tasks of tracking down and confirming accurate supplier contact information? Ironically, the journey to procurement automation depends on a series of mundane, time-consuming, manual tasks. Don't expect it to happen with only your existing personnel. And given today's tight labor market, it's best to get HR involved early on.

Build your staffing plan and schedule the resources needed to support supplier onboarding as soon as possible—well in advance of platform deployment.

Don't underestimate the resources you'll need and when you'll need them



What course will you set?



TRANSACTION VALUE



TRANSACTION VOLUME



ANALYZE YOUR SUPPLY BASE

Charting your course for supplier onboarding requires analyzing suppliers and transactions to identify the optimal channels for electronic enablement.

Your goals will be to create electronic channels to make it easier for buyers to buy everything from commodities to strategic goods and services and to make it easier and cheaper for suppliers to electronically transact business with your organization.

At one end of the spectrum are the use of email for purchase orders and invoices and catalogs to facilitate repeat purchases. Then there are business networks where suppliers and buyers can exchange documents. For high volume suppliers, you can use deep cXML integrations. The key is to determine optimal channels for each supplier.

Why should suppliers join you?

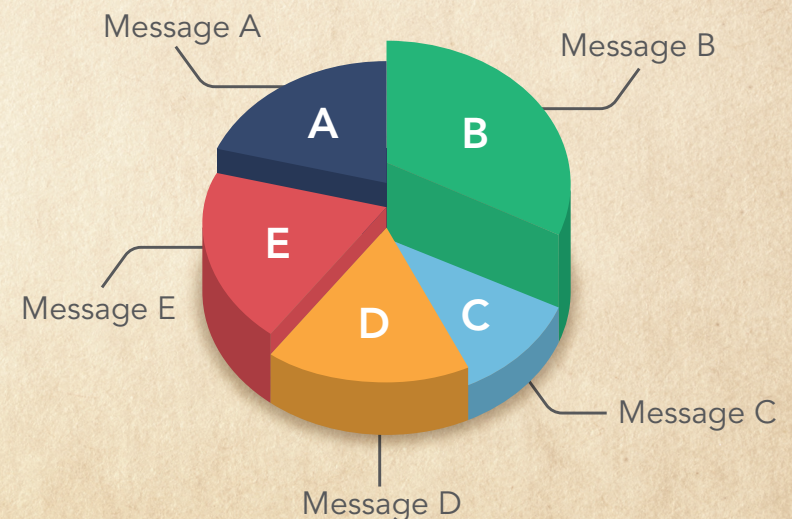


TARGET SUPPLIER COMMUNICATIONS

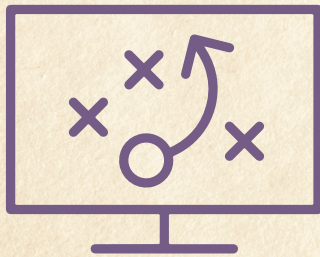
Once you have updated your supplier information database and identified the optimal channels for enablement by vendor type, you will be ready to begin building a supplier communications plan.

If you expect suppliers to change the way they do business with your company, they need to understand the benefits they will receive from participating in your procurement automation program. Each vendor must also be aware of and ready to act upon your specific expectations, requirements and timelines. This requires a comprehensive communications campaign with targeted messaging based on vendor/transaction type that persists before, during and after your go-live date.

SEGMENTED SUPPLIER BASE



What makes for a successful journey?



**Your company is unique.
There's no such thing as
a standard template for
onboarding your suppliers**



BUILD YOUR STRATEGY FIRST

Cloud computing technologies have made it easier and less expensive for companies of all sizes to automate procurement process. However, when it comes to building your company's strategy for onboarding suppliers, there is no such thing as a turnkey template.

Supplier onboarding is a "make or break" process that will ultimately determine the success of your procurement automation initiative. Engaging the services of an experienced procurement platform implementation specialist can help you reduce the time and effort required to deliver bottom-line results. The right partner can help you build the strategy that will best suit your company's unique needs.

Accelerate procurement success with platform-enabled solutions from Shelby

Procurement departments everywhere face a common challenge. How can you increase transparency, control and compliance in order to deliver measurable business benefits to your organization? Today's cloud-based procurement platforms offer powerful and flexible tools to integrate best practices into daily operations. However, a low utilization of features and misalignment with business processes can negatively impact your success.

The Shelby Group is the global leader in platform-enabled procurement optimization. With hundreds of platform implementation and support engagements to our credit, Shelby can help accelerate your success through each step of your journey with Platform Implementation, Program Optimization and Procurement Operations solutions.

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