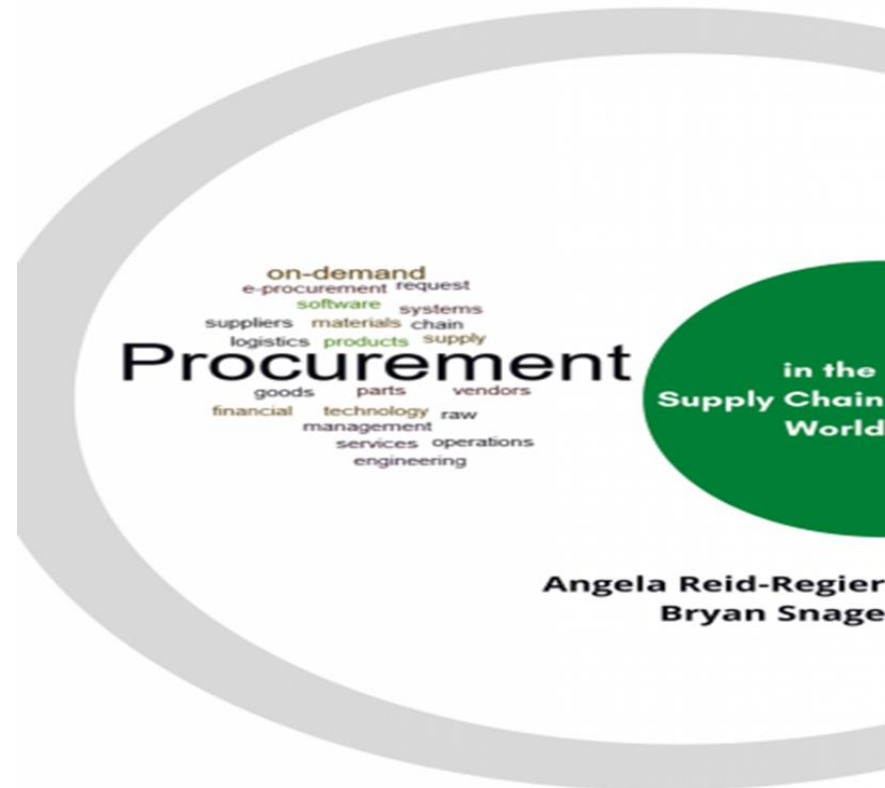


# Procurement in a Supply Chain World

## Chapter 9: Procurement Information Systems



# Accessibility Statement

- This PowerPoint is compatible with assistive technology
- Images have alternative-tags applied
- Complex images have long descriptions and are available in the notes section of each slide
- We welcome your feedback if you notice an area not addressed, please contact the authors listed here

# Learning Objectives

## Learning Objectives:

- Discuss the various sources of procurement information systems.
- Understand the benefits of technology in procurement.
- Recognize the role of procurement in the enterprise resource planning (ERP) process.

# Introduction

Computer systems and the internet can help procurement professionals become more efficient by making the purchasing process smoother allowing procurement professionals to focus on other areas.

# Enterprise Resource Planning (ERP) Systems

The procurement module of various ERP systems makes purchasing easier by automating the following: issuing purchase requisitions, sourcing supply of goods or services, issuing quotations to suppliers, selecting suppliers, issuing purchase orders, receiving goods into inventory, invoice verification, and sending payments to vendors. ERP systems also provide accurate real-time data and improved visibility across all functions allowing decisions to be made quickly.

# E-Procurement Sourcing

E-procurement is an Internet process used to make the procurement of goods and services easier with the goal to streamline the purchasing process so that businesses can focus more management time on earning revenue and serving customers.

- E-Procurement and Electronic Purchasing
- Electronic Data Interchange (EDI)
- Electronic Catalogues
- Automation of Bidding

# Implications of Technology in Procurement

## Benefits:

- Smarter informed decisions
- Faster response times
- Cost reduction
- Spending is tracked
- Reduced transaction times
- Increased productivity
- Technology allows people to work and access information 24/7,
  - flexible work schedules
  - Remote work

## Challenges:

- Need people critically evaluate the data to make decisions
- Work-life balance with 24/7 scheduling

# Key Takeaways

- Organizations with functional structure divide departments by function with employees with shared skills grouped together
- Disadvantage is loss of communication between functional departments and potentially decreased flexibility and innovation
- Recent trend is cross functional teams
- ERP allows companies to incorporate all departments into one company wide system
- Training, maintenance, and start-up costs are high