SAP Solution Brief
SAP for Public Sector

SAP Procurement for Public Sector

Maximize Purchasing Power and Increase Compliance in Regulated Organizations

Achieve Your Procurement Goals

Quick Facts

Summary

To increase your purchasing power, you need a consolidated view of demand, better control of spend, and improved contract compliance. The SAP® Procurement for Public Sector package helps you achieve these goals. With special enhancements designed specifically for public and regulated organizations, the package helps maximize your buying power and improve contract compliance. It does this by enabling you to control the procurement cycle from requirements definition to completion of contract files.

Business Challenges

- Cut costs and speed delivery of goods and services
- Control the procurement cycle from requirements definition to completion of contract files
- Integrate nontransactional activities and information into the enterprise software
- Streamline competitive sourcing of simple to complex requirements

Key Features

- **End-to-end contract management** – Standardize and automate processes and enforce business rules and workflows
- **Sourcing** – Identify the right vendor – the one offering the right item or service at the right terms and at a fair price
- **Supplier management and compliance** – Identify instances of multiple and inconsistent contracts with the same supplier

Business Benefits

- **Support the spectrum of procurement processes** with a single solution
- **Increase user satisfaction** by providing self-service procurement
- **Improve the bidding process** with dynamic, logic-driven, complex-document-generation functionality
- **Reduce the risks associated with contractual noncompliance** with integrated budget checking, competitive bidding and tendering, and supplier certification
- **Accelerate cycle times and reduce time between approvals** with built-in support for event-driven workflow and reviews

For More Information

Call your SAP representative, or visit www.sap.com/industries/publicsector.

Procurement spending is under greater scrutiny than ever before. Public and other regulated procurement organizations face a unique challenge: find ways to cut costs and speed delivery of goods and services in the face of lengthy labor-, time-, and paper-intensive processes and regulations. The SAP® Procurement for Public Sector package, tailored to meet the demands of these organizations, can help you reduce the risks associated with contractual noncompliance and increase your purchasing power.

SAP Procurement for Public Sector can help you identify savings opportunities – not so easy when you are working with redundant and inaccurate information – and streamline processes and find areas for improvement. It manages the procurement lifecycle from end to end – whether your procurement needs are simple or complex – and supports your e-procurement and self-service procurement requirements. Integrated budget checking, competitive bidding and tendering, and supplier certification reduce your risk of noncompliance with internal policies and public regulations. And the software delivers deep integration between your contract management processes and financial and logistics functions in SAP software.

IMPROVE END-TO-END CONTRACT MANAGEMENT

You know how difficult it is to capture typical "offline" events such as negotiation processes, legal claims, and protests – never mind all the phone calls, research, and conversations that precede a procurement. You need a better way to maintain a relationship between this nontransactional work and the contracts it leads to. E-mails and spreadsheets aren't good enough. With SAP Procurement for Public Sector, you can organize information into electronic contract files, providing standardization, consistency, and structure to the process.

Reduce Costs, Time, and Risks

With SAP Procurement for Public Sector, you can standardize processes that span all stages of procurement, from strategy and execution to completion. Once your processes are captured within the software, you can apply business rules, logic, and workflow. This way, the processes can be traced and audited. It also reduces the costs and time typically associated with complex processes and lowers the potential for the legal challenges, claims, protests, and opportunities for corruption that arise when your procurement cycle is not managed efficiently.

Automate and Accelerate Activities

With built-in support for event-driven workflow and reviews, the procurement software helps accelerate cycle times and reduce time between approvals. And because alerts are triggered automatically according to the schedule you define, your procurement activities proceed in a timely manner. For example, by giving your procurement specialists advance notice of an impending contract expiration, you ensure that a new contract is in place before there is a break in service and support. And by triggering an alert when your inventory falls to a certain level, you allow your buyers ample time to raise the quantity on the contract. SAP Procurement for Public Sector can even create letters to bidders automatically, notifying them of opportunities. That way you get the goods and services you need in a timely manner – without paying a premium.

ENHANCE SOURCING ACTIVITIES

Sourcing means more than finding the lowest price for copier paper. It means identifying the right vendor – the one offering the right item or service at the right terms and at a fair price. Unfortunately, traditional sourcing software does not provide the flexibility needed by public sector organizations to identify the best suppliers and achieve measurable ROI. SAP Procurement for Public Sector does, by helping you reduce spending and improve follow-on and bidding processes.

Reduce Off-Contract Spending

Off-contract spending can easily lead to higher costs and noncompliance. But it's hard to address this issue when employees can dodge the system and place orders through a variety of channels. Using online self-service procurement, your organization can rein in off-contract spending while relieving procurement specialists of low-value, high-volume requests. Because SAP Procurement for Public Sector lets you establish a single point of entry for procurement requests and track request status online, managers can easily spot trends and monitor how purchases are being executed. Audit trails and real-time visibility into purchases help reduce buys that circumvent rules and regulations.

Streamline Follow-On Processes

Because SAP Procurement for Public Sector enables automatic creation of RFx documents, contracts, and purchase orders from procurement requests, you avoid redundant data entry and the need to manually generate follow-on documents. Less human intervention means fewer opportunities for error. By auto-

matically transferring information from the procurement request, the procurement package helps improve ordering accuracy and reduce procurement lead times.

Improve the Bidding Process
Most organizations require potential suppliers to submit their bids (or tenders) online, but SAP Procurement for Public Sector takes day-to-day procurement to another level: dynamic, logic-driven, legal document–generation functionality featuring clause libraries, online guidance and prescriptions, custom outputs, and much more. This way, the software generates a standardized but tailored document that meets all your regulatory and compliance requirements every time – regardless of what you're buying.

ENCOURAGE CONTRACT AND SUPPLIER COMPLIANCE

Ensuring compliance is no simple matter. You need to worry about supplier compliance with contracts as well as about how your organization complies with regulations and standards. After all, when noncompliance results in an audit or lawsuit, it impacts your procurement processes as well as your organization's ability to fulfill its mission. With SAP Procurement for Public Sector, you can improve contract oversight and reduce the risks inherent in complex procurement processes.

Manage Contracts Effectively
You know how much effort and time is spent on postaward contract management; this stage of procurement can last for years. With so many activities to manage, often simultaneously, it's easy to overlook critical ones. Yet such an oversight can lead to noncompliance with standards and regulations. SAP Procurement for Public Sector helps you standardize and automate processes and enforce business rules and workflows, helping ensure that your procurement professionals stay compliant with both internal guidelines and external regulations.

Improve Claim and Termination Management
Managing supplier claims and terminations is no small task. Whether a supplier is filing a claim for compensation resulting from unexpected contact with hazardous materials, or a department decides it no longer needs goods that have been contracted for, you need to maintain a record of related activities. With SAP Procurement for Public Sector, you can better manage line and document-level claims and terminations by moving these activities online, linking to the appropriate procurement documents, and making the entire process visible.

Improve Supplier Management and Compliance
SAP Procurement for Public Sector allows your procurement organization to identify instances of multiple and inconsistent contracts with the same supplier. This leads to more favorable prices and terms and better management of the supplier base. And by seeing where money is being spent, you can comply with internal policies and federal regulations that require you to contract with certain types of suppliers and businesses.

Reduce Legal, Financial, and Supplier Risks
Producing procurement documents is easy, but making them legally compliant requires standardization and process controls. From layout to logos to content, all details of your procurement documents comply with internal guidelines. You can store and manage clauses, terms, and conditions associated with different agencies, ministries, and divisions as well as store and manage those found in various international regulations and directives. The result? You no longer worry about being exposed to legal, financial, and supply chain risks, and your suppliers stop exploiting loopholes.

SAP Procurement for Public Sector can help you identify savings opportunities, streamline processes, and find areas for improvement. It manages the procurement lifecycle from end to end.

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Guide Postaward Activities

Managing closure at the end of the contract lifecycle can be tedious and time consuming. The process can involve combing through many versions of the contract to make sure all conditions have been met, repossessing equipment loaned to a supplier, ensuring that patents and royalties filed during the contract have been accounted for, and more. An inefficiently managed closeout process can make it difficult to recoup unspent contract funds. With SAP Procurement for Public Sector, you benefit from standardized and automated checks – for example, checks for open claims – while retaining control over the contract file review and disposition process.

FIND OUT MORE

To find out how SAP Procurement for Public Sector can help your organization maximize its purchasing power and improve contract compliance, visit www.sap.com/industries/publicsector.

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