P2P Dynamic Change: Technology and Process
A Case Study in Georgia Tech’s eBusiness Development

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Georgia Tech Quick Facts – FY16

- Enrollment: 25,034 students
  - Operating Budget: $1.5 Billion
  - Research: $800MM
- 3.5 Billion in Property
- 77,000 Purchase Orders
- $471MM Purchase Spend
- 96,000 Purchase Card Transactions
- 41,000 Travel & Expense Reimbursements
- 119,000 Vendor Invoices
Research Dynamics

- Approximately $800 million in sponsored research

- The Advanced Technology Development Center (ATDC) is ranked by Forbes magazine as one of 12 business incubators changing the world.
Research Dynamics

- **September 2015** - A Georgia Tech Doctorate Student helped confirm signs of water on Mars
- **Georgia Tech Students** sweep NSA 2016 Code Breaking competition
- **Georgia Tech Student** wins 15mm miles hacking United Airlines and donates 5mm to Tech Student Groups
- **Time Sensitive Work** includes DOD Systems and field Service Deployed applications with short timelines
- **LED Technology** that you see commercially available stems from research at Georgia Tech
Driving Change
“Success in an industry where mandate does not apply”

Anticipate & Embrace Changing Technologies

Vision
Goals
Technology
People
Process
Measures
Vision / Goals

**Goal: Relentlessly Pursue Institutional Effectiveness**

Department Focus:

- Develop and maintain “Best in Class” operations as recognized and measured across industries
- Integrate & automate P2P to increase productivity and effectiveness, including customers and suppliers
- Strategic focus verses transactional for value.
- Implement a continuous improvement process
Starting Considerations 2010

- **Aged systems** and tools - PeopleSoft 8.8
- Multiple systems and customizations
- Multiple **tiers of compliance:**
  - Federal, **State, and Sponsors**
- Limited internal **experience** with new technologies
- **Research** drives **breadth** of requirements **versus depth**
- **Internal resources**
Starting Considerations

- **Transactional** versus strategic
- **Paper** and low tech processes and records
- **Decentralized** focus and entrepreneurial spirit
- **Resource** Constraints
- Changing the **paradigm**
- **Multiple** regulatory requirements (Federal, State, USG, Georgia Tech)
Approach & Action Items

• **Establish a vision** - Short and long term
• **Build your expertise and your own team of experts**
• **Leverage** technology and process changes
• **Leverage** SAAS/Cloud for support and flexibility
• **Integrate** P2P operations for efficiencies
• **Integrate** across systems
• **Use systems** to lessen non-value added processes
Approach & Action Items

- **Take Measurable Steps** – not half steps
- **Collaboration, Training and Change Management**
- **Self-Service Tools & Web page***
- **Establish a Continuous Improvement process**
- **Design a Technology Exit Strategy**
- **Don’t drop your customers;** they won’t forget
- **Succeed - Succeed: Leverage that Success**
Change Management
Joint Ownership

- Communicate - Collaborate - Train

- Identify & integrate your partners, customers and stakeholders into the process
  - Part of the solution and joint ownership

- Create a formal Project Steering Team and working Forum
  - i.e. Procure-2-Pay Forum

- Success is achieved when your stakeholders are your supporters
Imaging: Value Added

- Creates copy of documents for workflows and record
- Provides quick access to documents from multiple sources supporting audits and non-system users
- Maintains record for storage and retention if systems change
- Over 6.5m documents
Results

- Procurement ROI moved to **5:1**
- **100% Rating** on Federal CPSR 2013 **

- Spend per Buyer **$30,481,000**
  *CAPS Benchmark $11,291,000*

- Invoices / Accountant **17,676**
  **IAAP/Vendor Benchmark 12,500-14,500**
  **w / elInvoices 25,352**

- Documents Imaged **6,500,000**

* CAPS Research   **International AP Professionals*
# Results: Cycle Time - 2016

<table>
<thead>
<tr>
<th>Distribution (Days)</th>
<th>% Requisitions</th>
<th>Cumulative Cycle Time (Day)</th>
<th>Requisitions</th>
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</thead>
<tbody>
<tr>
<td>0</td>
<td>52.2%</td>
<td>52.2%</td>
<td>35414</td>
</tr>
<tr>
<td>1.0</td>
<td>21.9%</td>
<td>74.1%</td>
<td>14877</td>
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<td>2-5</td>
<td>17.2%</td>
<td>91.3%</td>
<td>11653</td>
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<tr>
<td>6-10</td>
<td>5.2%</td>
<td>96.5%</td>
<td>3536</td>
</tr>
<tr>
<td>11-29</td>
<td>2.9%</td>
<td>99.4%</td>
<td>1959</td>
</tr>
<tr>
<td>30+</td>
<td>0.6%</td>
<td>100%</td>
<td>415</td>
</tr>
</tbody>
</table>

**Includes workflow approvals**
Results: P2P Metrics
Shift 2010 to 2015

<table>
<thead>
<tr>
<th>Services Summary Metrics</th>
<th>2010</th>
<th>2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total PO’s</td>
<td>17,144</td>
<td>71,021</td>
<td>414%</td>
</tr>
<tr>
<td>Buyer Managed PO’s</td>
<td>3,266</td>
<td>12,552</td>
<td>384%</td>
</tr>
<tr>
<td><strong>Productivity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Buyer PO’s with Buyer Review</td>
<td>544</td>
<td>1,105</td>
<td>103.0%</td>
</tr>
<tr>
<td>Per Vendor Pay Auditor W/O eInvoices</td>
<td>7,084</td>
<td>17,676</td>
<td>149.5%</td>
</tr>
<tr>
<td>Per Vendor Pay Auditor W/ eInvoices</td>
<td>7,084</td>
<td>25,352</td>
<td>358.0%</td>
</tr>
<tr>
<td>Per Pay Auditor - Travel &amp; Expense</td>
<td>7,867</td>
<td>14,386</td>
<td>82.9%</td>
</tr>
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</table>
Technology will provide new capabilities that further change or disrupt current eBusiness

- Established providers and startups are battling for space in the change

- Amazon:
  - Amazon Web Services is now a $10 bil business
  - Amazon Business Launched November 2016
  - Amazon is taking on Transportation
The Future of Technology & Procurement

• Changing eBusiness Tools
  – eProcurement sites look more like Amazon
  – Visual competition – Multiple Awards?

• Disruptive Technologies:
  – UBER, Amazon (Transportation, Amazon B2C and now B2B)
  – Google
  – AirBNB

• Can you afford to be complacent?
The Future of Technology & Procurement

- **Artificial Intelligence**
  - Watson at IBM
  - Google Home - taking on Amazon
  - Alexa: Artificial intelligence at Amazon

- The US Air Force has concluded that humans need assistance to manage the Federal Acquisition Regulation, 1,897 pages
  - They have engaged with 2 suppliers utilizing Watson
Implementation & Process Design

- **Project management team**
  
  *Procure 2 Pay – Technology – Stakeholders - Supplier*

- **Adaptation**
  
  *Processes – Training – Super Users (Department Leads – build your skills)*

- **Communication**
  
  *Procure 2 Pay – Technology – Stakeholders – Suppliers*
What can you do to change your paradigm?

• Goals and vision
  • Organizational
  • Individual

• Benchmark, read, participate in webinars, attend professional organizations

• Ask questions

• Train your resources to broaden skills

• Make your case for the value you provide and can provide
Closing Thoughts on Transformation

Dynamic Change is a product of preparation and design.

Change is constant - like the Sun - rising on one horizon and setting on another.