



## Case Study

***Automated Purchasing/Requisition Solutions***

***'How to Control Maverick Spend'***

# What is Maverick Spend?

**Maverick Spend is the act of buying goods and services:**

- **from a non-approved or non-preferred Supplier,**  
**and/or**
- **without a Contract or Purchase Order.**

**NOT APPROVED**

# Why is Maverick Spend a problem?

**According to an Industry Week study\*,**

**Manufacturing Firms can pay up to a 20% premium due to Maverick Spend!**



# Why eliminate Maverick Spend?

The Gartner Group says,

**A 5% savings on Maverick Spend can be the equivalent of a 10% increase in profit!**



# ISS Group Solutions control Maverick Spend

- ✓ **Provide New Supplier Approval Workflow**
- ✓ **Provide Project Budget Approval Workflow**
- ✓ **Maintain Current Pricing via Supplier RFQ's**
- ✓ **Provide PO Requisition Approval Workflow**
- ✓ **Provide Spend Tracking against Project Budgets**
- ✓ **Enforce Contract Pricing via Supplier Punchouts and Catalogs**
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- ✓ **Provide Pricing and Spend Analytics**

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# Case Study

**Frank Salesi**  
VP Solutions, ISS Group

## □ Who is A123 Systems?

- **Global Manufacturer of Lithium-ion energy storage solutions for Automotive Markets (Hybrids, Plug-in, Commercial, Motorsport, Industrial)**
- **HQ – Michigan, Manufacturing – China, Germany, Czech Republic**

## □ GRS/EAM

- **Began using EAM in 2014**
- **A123 Systems currently uses EAM for project tracking**
  - **Allows tracking to the project and job level**
- **Future plans for EAM are MRO and machine maintenance**
- **GRS Challenges**

## Why iPurchase?



- ✓ **Single interface integrated with 2014EE and EAM**
- ✓ **Common approval rules for 2014EE and EAM**
- ✓ **Easy method to reassign requisitions in process after employee turnover**
- ✓ **Tasked with ways to reduce users in 2014EE and EAM without losing functionality**

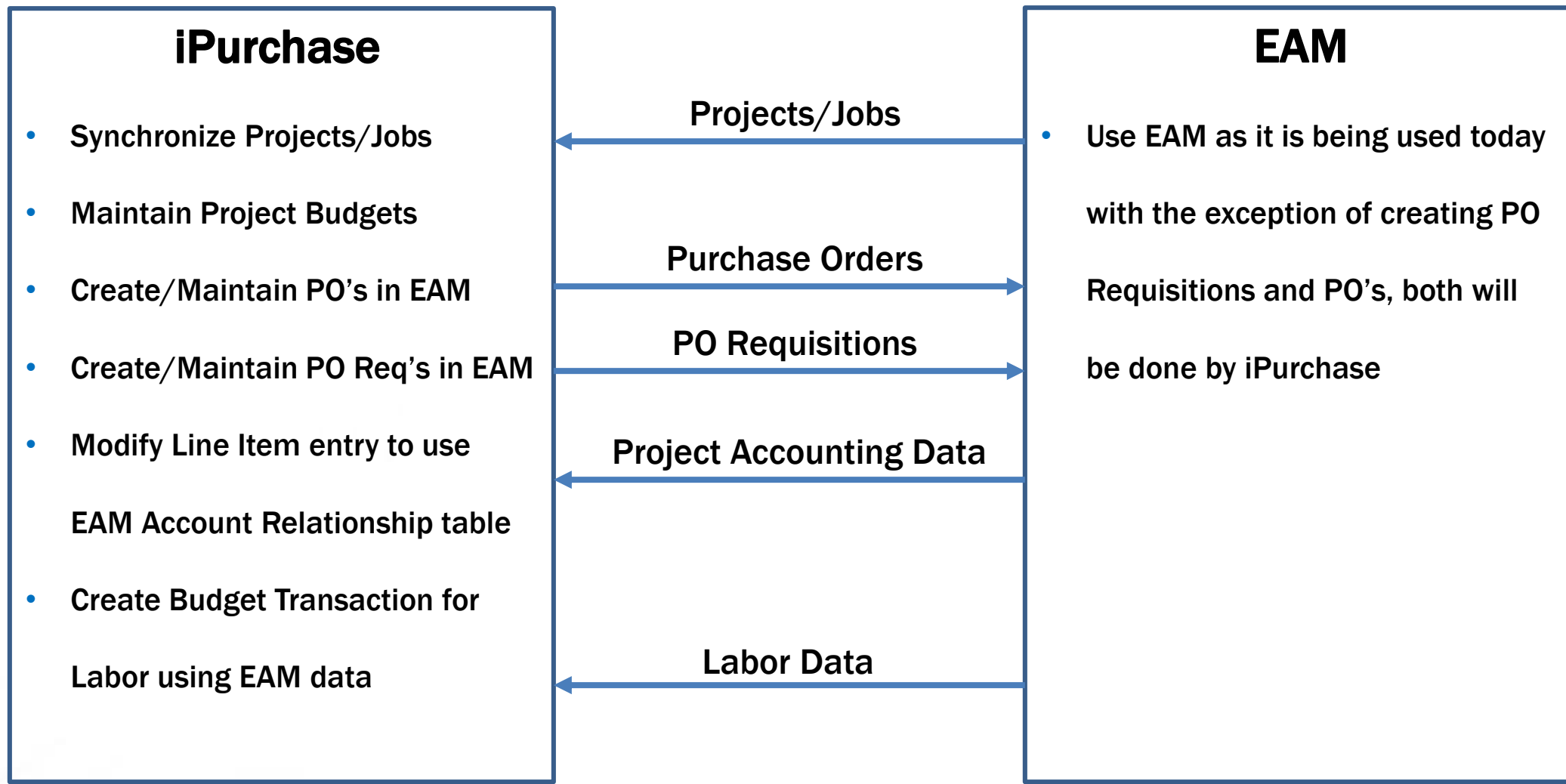


# Objectives of Integrating *iPurchase*™ with QAD EAM

- **Reduce time finance department spends reviewing requisitions for proper accounting information.**
- **Easy method to allow approving requisitions by administration staff using their own login.**
- **Control Project Budgets**
- **Lock down Cost Center's and Projects**
- **Single Interface to Approve PO Req.**



# iPurchase – QAD EAM Interface for A123 Systems



# Implementation Timeline & Challenges

- **Implementation timeline:** 90 days from project kick-off to go-live
- **Team size:**
  - 4 A123 members (2 IT and 2 Finance)
  - 1 ISS Group member
- **Challenges**
  - Several company reorganizations changing approval rules drastically



# Results

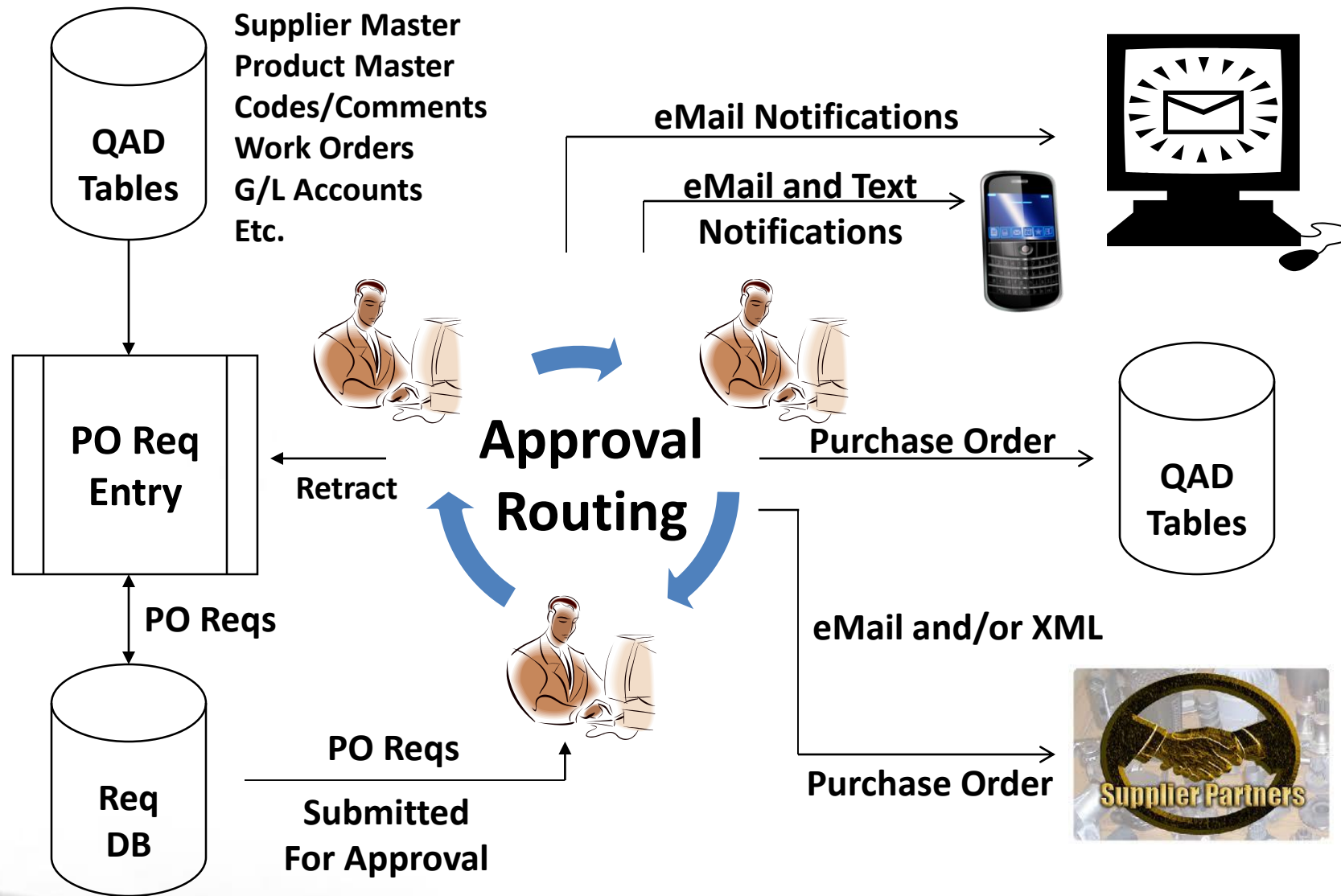
- ✓ **Reduction in PO Req. -> PO Cycle Time**
- ✓ **Approval Process made Easier**
- ✓ **Reduction in User Training Time**
- ✓ **Improved Data Accuracy**
- ✓ **Improved Approval Rules**
- ✓ **Using Punchouts**



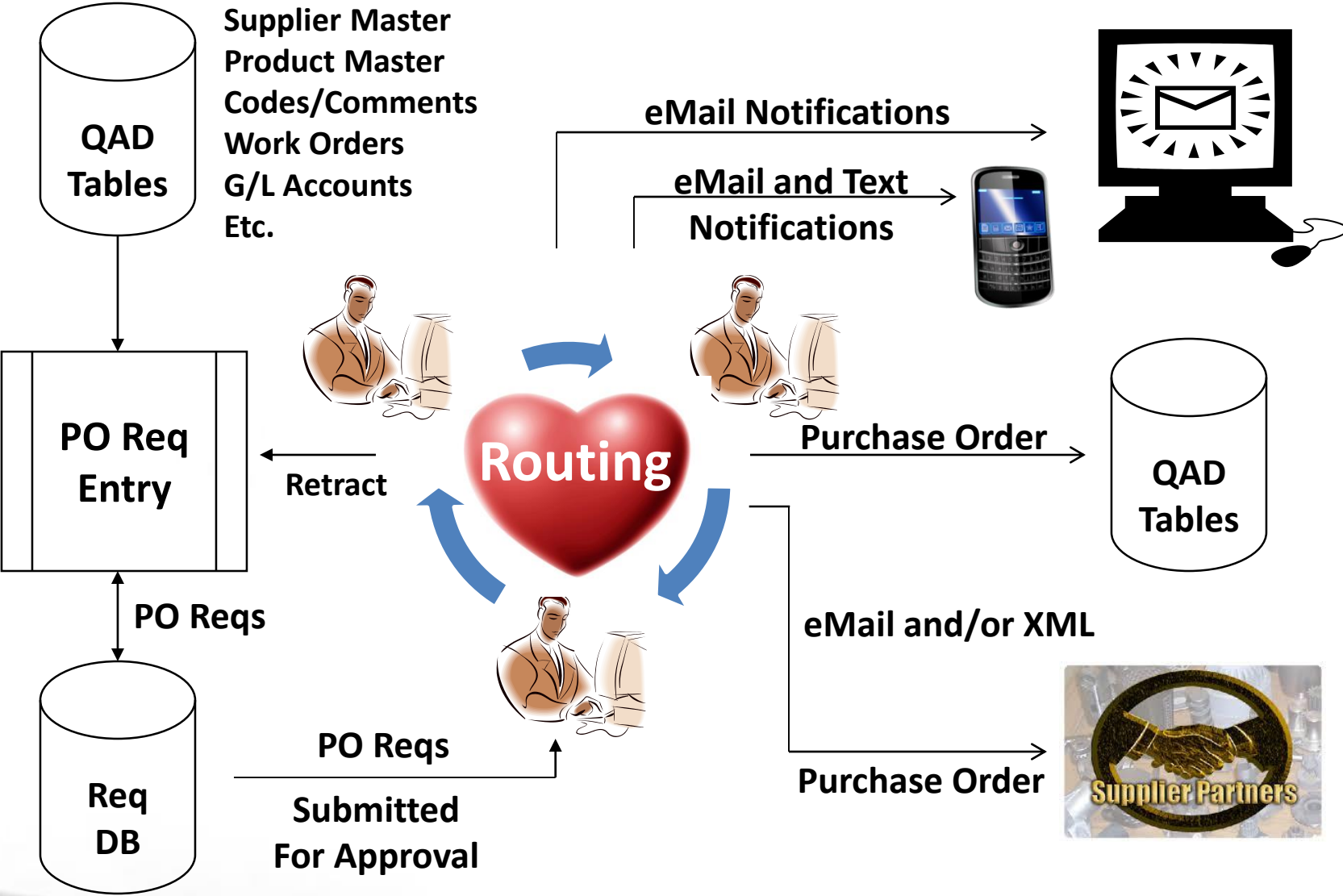
# **iPurchase™ - PO Requisition Management**

- **Pre-Integrated with QAD EE, SE and EAM**
- **Web-based Solution offering On-premise or Cloud Deployment, Mobile Functionality**
- **Create Supplier Request for Quotation (RFQ)**
- **Create PO Requisition and Supplier Pricing Catalogs from Supplier Quotes**
- **Create electronic Purchase Order Requisitions for routing and approval**
- **Configurable Rules Based Routing for PO Requisition Approval**
- **Auto create QAD Purchase Order upon Requisition approval**
- **Supplier Catalog Management**
- **eCommerce Shopping with all Major Suppliers (Punchouts)**
- **Project Budgeting/Spend Tracking**
- **QAD MRP Action Center**
- **Purchasing Analytics (UNSPSC)/Process Metrics**

# iPurchase™: Real-time Integrated with QAD



# Approval Routing: The Heart of iPurchase™





# AART™: Advanced Approval Routing Technology

- Route electronic PO Requisitions for review and change/approval
- Configurable User Defined Routing Rules based on any Data within PO Requisition, Unlimited Number of Rules**
- Dynamic Routing upon Requisition Submission**
- Multi-path, Sequential and Group Approvals, Out of Office Designation
- Retract and re-submit PO Requisition
- Re-Routing Upon PO Requisition Change
- History of all PO Requisition Approval Attempts
- PO Requisition Queue for Approvers
- User/Time Date Stamp Auditability

# AART™: What's a Rule?

- ❑ Rules can be based on any and all of the data within the PO Requisition.
- ❑ Rules are User defined conditions using and's and or's which work together to determine the list of people or groups required to review, change and approve a PO Requisition.
  - Example of a simple Rule
    - All PO Requisitions greater than \$10,000, John (CEO) or Joe (CFO) needs to approve Requisition
  - Example of a complicated Rule
    - All 'Expense' Type PO Requisitions greater than \$10,000 for the following Cost Centers (a,b,c,d) and for the Ohio or the Cleveland Plant being shipped UPS or FedEx, OR the Project Code begins with an 'M', OR the G/L Account Code is  $\geq 8000$  and  $\leq 8999$ , OR Supplier is ISS Group, then Sam, Jane, John, and someone from the Accounting Group needs to approve Requisition

# Requisition Approval Routing

Audit Trail Retract Quote EMT Contracts Domain: **demo1** Requisition Workbench

Req#: T0404369 Entry Date: 01/12/2016 Need Date: 01/31/2016 Perf Date: 01/31/2016 Type: Capex

Header Information | Header Notes/Attachments | Master Comments | **Approval History** | Blanket Information **Pending**

Add Approver:  **Add** Remove Approver:  **Remove** **Emergency Approval**

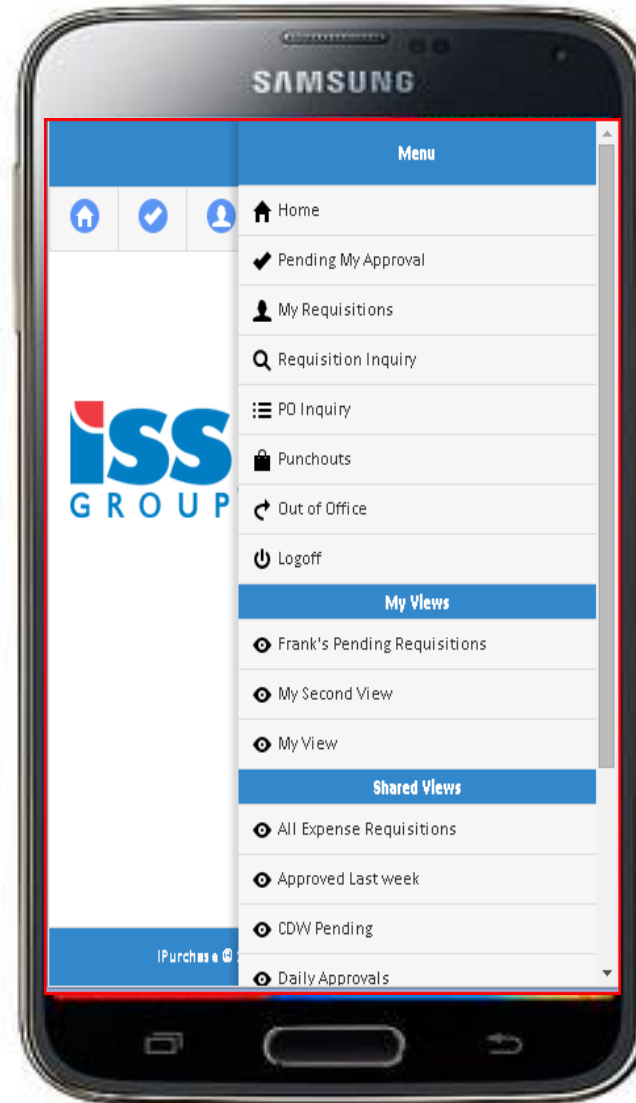
Activated On	Level	Approver	Approved By	Status	Notes	Last Notified
Approval Attempt: 1 Submitted On 01/12/16 5:02:41 pm						
01/12/16 5:02 pm	50	Supervisor 1 - up to \$10K		Pending		01/12/16 5:02 pm
	51	Supervisor 2 - up to \$2MM				
	100	Robert Y - All Capex Requests				
	200	Sr Director - over \$25K				

**View Deleted Items**

Line	Item	Due	Acct-Dept	Project	Qty	Cost	Ext Cost
001	Spare Part 111 - Spare Part 111 20102104 - Rock drill spare parts or accessories	01/31/16	8200-0900	test 1	1.00	25,000.00	\$ 25,000.00

**Total \$ 25,000.00**

# New Mobile Interface



# Supplier eCommerce Shopping (Punchouts)



The screenshot displays a web interface titled "Punch Out Vendors" with a "Close" button in the top left corner. The interface features a grid of 15 supplier logos arranged in three rows and five columns:

- Row 1: CDW, Corporate Express (A Business Company), DELL, Digi-Key CORPORATION, FASTENAL (fastenal.com)
- Row 2: GRAINGER (FOR THE ONES WHO GET IT DONE), hp, Independence Business Supply, More Direct (your enterprise IT connection), MSC Industrial Supply Co. (1-800-645-7270)
- Row 3: MSC Industrial Supply Co. (1-800-645-7270), OfficeMax Office DEPOT, SAFETY SOLUTIONS INCORPORATED, shi, STAPLES

These are just some of the Suppliers our Clients are purchasing from via Punchouts
















# Supplier Catalog Management

Apply Filter Clear Filter Import Catalog Export Catalog Import Cart Add To Cart View Cart Domain: demo1 Catalog Requisition

Favorites:  Supplier:  Add Item

Keywords:  Segment:

Sort By:  Family:  Class:  Component:

Item Information	Price	Qty																		
 <p>1007373   </p> <p>12oz White Sqwincher Logo'd Wax Coated Paper Cold Cup</p> <p><a href="#">View Product Details on Supplier Website</a></p> <table border="1"> <tr> <td>Supplier</td> <td>Fastenal</td> <td>Min Ord Qty</td> <td>100</td> <td>Lead Time</td> <td>0</td> </tr> <tr> <td>Manufacturer</td> <td>SQWINCHER CORPORATION 200101</td> <td>Max Order Qty</td> <td></td> <td>UOM</td> <td>EA</td> </tr> <tr> <td>UNSPSC</td> <td>48101905 - Food service cups or mugs</td> <td>Order Multiple Q...</td> <td>100</td> <td>List Price</td> <td>0.1004\$</td> </tr> </table>	Supplier	Fastenal	Min Ord Qty	100	Lead Time	0	Manufacturer	SQWINCHER CORPORATION 200101	Max Order Qty		UOM	EA	UNSPSC	48101905 - Food service cups or mugs	Order Multiple Q...	100	List Price	0.1004\$	0.1004\$	<input type="text"/> 
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 <p>1007375   </p> <p>7oz White Plastic Lined Paper Cold Cup</p> <p><a href="#">View Product Details on Supplier Website</a></p> <table border="1"> <tr> <td>Supplier</td> <td>Fastenal</td> <td>Min Ord Qty</td> <td>5000</td> <td>Lead Time</td> <td>0</td> </tr> <tr> <td>Manufacturer</td> <td>SQWINCHER CORPORATION 200201</td> <td>Max Order Qty</td> <td></td> <td>UOM</td> <td>EA</td> </tr> <tr> <td>UNSPSC</td> <td>48101905 - Food service cups or mugs</td> <td>Order Multiple Q...</td> <td>5000</td> <td>List Price</td> <td>0.0492\$</td> </tr> </table>	Supplier	Fastenal	Min Ord Qty	5000	Lead Time	0	Manufacturer	SQWINCHER CORPORATION 200201	Max Order Qty		UOM	EA	UNSPSC	48101905 - Food service cups or mugs	Order Multiple Q...	5000	List Price	0.0492\$	0.0492\$	<input type="text"/> 
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 <p>1007417   </p> <p>1530-1 1" x 10yd Paper Micropore Surgical Tape 12Ct</p> <p><a href="#">View Product Details on Supplier Website</a></p> <table border="1"> <tr> <td>Supplier</td> <td>Fastenal</td> <td>Min Ord Qty</td> <td>1</td> <td>Lead Time</td> <td>0</td> </tr> <tr> <td>Manufacturer</td> <td>3M PRODUCTS 3.07074E+13</td> <td>Max Order Qty</td> <td></td> <td>UOM</td> <td>EA</td> </tr> <tr> <td>UNSPSC</td> <td>48101905 - Food service cups or mugs</td> <td>Order Multiple Q...</td> <td></td> <td>List Price</td> <td>12.733\$</td> </tr> </table>	Supplier	Fastenal	Min Ord Qty	1	Lead Time	0	Manufacturer	3M PRODUCTS 3.07074E+13	Max Order Qty		UOM	EA	UNSPSC	48101905 - Food service cups or mugs	Order Multiple Q...		List Price	12.733\$	12.733\$	<input type="text"/> 
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UNSPSC	48101905 - Food service cups or mugs	Order Multiple Q...		List Price	12.733\$															

Navigation: << < > >>

Req Inquiry New Req Catalogs Punchouts PO Inquiry Budgets Admin OOF User Profile Help Log Off © ISS Group

# QAD MRP Action Center

Close MRP

Buyer Code  Item  Site  Supplier  Number  Start Date  End Date  Code

Hide "No Supplier"  Hide Ignored Items  Hide Processed  Process User  Process Date

	Buyer	Part	Supplier	Site	Nbr/Ln	Qty	To/From	Detail	Status	Results
		22-100 CORD,POWER	5004000 CDW	10000	03040028 0	1250	05/05/94 05/06/94	1007-Release past due for Purchase Requisition	SUCCESS	Frank Salesi 02/28/2017 12:13:53.231-05:00 Added as line 1 to requisition T0405193
		22-100 CORD,POWER	5004000 CDW	10000	03040029 0	1250	05/12/94 05/13/94	1007-Release past due for Purchase Requisition	SUCCESS	Frank Salesi 02/28/2017 12:13:53.231-05:00 Added as line 2 to requisition T0405193
		22-100 CORD,POWER	5004000 CDW	10000	03040030 0	2100	05/19/94 05/20/94	1007-Release past due for Purchase Requisition	SUCCESS	Frank Salesi 02/28/2017 12:13:53.231-05:00 Added as line 3 to requisition T0405193
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	03100092 0	4000	06/02/94 06/03/94	1007-Release past due for Purchase Requisition		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	09070002 402201	356724	09/06/16 09/07/16	1007-Release past due for Planned Order		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	402302 0	50	12/20/11 12/21/11	1007-Release past due for Purchase Requisition		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	03030108 0	549	09/07/16 05/27/94	1010-Past due Purchase Requisition		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	03040025 0	1000	09/07/16 04/15/94	1010-Past due Purchase Requisition		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	03040026 0	1100	09/07/16 04/22/94	1010-Past due Purchase Requisition		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	03040027 0	1365	09/07/16 04/29/94	1010-Past due Purchase Requisition		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	03040028 0	1250	09/07/16 05/06/94	1010-Past due Purchase Requisition		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	03040029 0	1250	09/07/16 05/13/94	1010-Past due Purchase Requisition		
<input type="checkbox"/>		22-100 CORD,POWER	5004000 CDW	10000	03040030 0	2100	09/07/16 05/20/94	1010-Past due Purchase Requisition		

Show Requisition after successful processing:



# Budgeting/Spend Tracking

Save Clear Delete Add New Dept Refresh Reset Budget Excel
Domain: demo1 Budget Maintenance

Budget Code:

Budget Amount:

Parent Budget Code:

**Budget vs Actual**

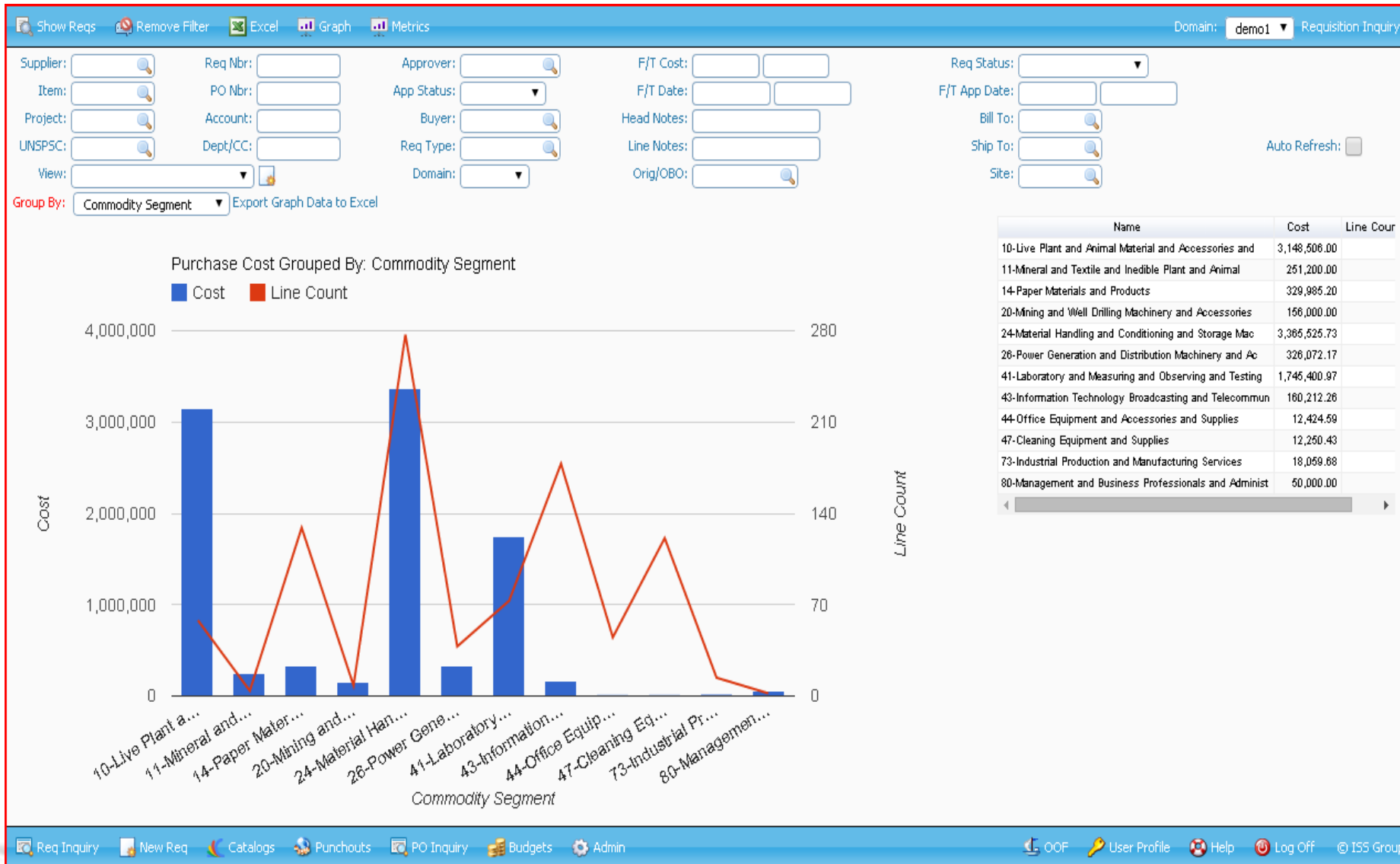
Dept	Budget (Dollars)	Actual (Dollars)
*	15,000	0
0900	80,000	50,000
2000	5,000	0

Action	Dept	Name	Amount	Opening Bal	Pending Reqs	Open POs	Receipts	Act Balance	Est Balance
	*	Non-Budgeted Departments	15,000	0	0	0	0	15,000	15,000
<a href="#">Edit</a> <a href="#">Delete</a> <a href="#">View Details</a>	0900	Software Products	80,000	0	50,000	0	0	80,000	30,000
<a href="#">Edit</a> <a href="#">Delete</a>	2000	OPERATIONS	5,000	0	0	0	0	5,000	5,000

Date	User	Type	Req Nbr/Line	PO Nbr/Line	Dept	Item	Qty	Cost	Extended
12/11/2015 14:57:57.343	Frank Salesi	REQ_SUB	T0404366-2		0900	Spare Part 11	1	25,000.00	25,000.00
12/11/2015 14:57:57.341	Frank Salesi	REQ_SUB	T0404366-1		0900	Spare Part 10	1	25,000.00	25,000.00
12/11/2015 14:57:51.090	Frank Salesi	REQ_RET	T0404366-2		0900	Spare Part 11	-1	25,000.00	(25,000.00)
12/11/2015 14:57:51.088	Frank Salesi	REQ_RET	T0404366-1		0900	Spare Part 10	-1	25,000.00	(25,000.00)

# Purchasing Analytics



# Process Metrics

Cycle Time By Month <a href="#">Excel</a>				Activity Detail By Originator <a href="#">Excel</a>				
Year/Month	Rejected	Approved	Avg Hours	User	Approved	Rejected	Avg Hours	Rejection Codes
2014-05		7	2.8	Frank Salesi	693	22	9.8	13 Incorrect Account 6 Unknown 3 Incorrect Pricing
2014-04		38	1.7	Craig Wolffis	7		0.0	
2014-03		3	3.0	Scott Carpenters	2		0.0	
2014-02		127	0.1					

Rejection Code Analysis <a href="#">Excel</a>		Approver Activity Summary <a href="#">Excel</a>			
Count	Rej Code	User Name	Approved Reqs	Rejected Reqs	Avg Hours
13	Incorrect Account	Supervisor 1	194	13	80.7
6	Unknown	Alex Chen	77	2	2.7
3	Incorrect Pricing	Craig Wolffis	70	1	2.8
		Bob Carter	36		2.2

Activity Summary by Originator <a href="#">Excel</a>					
Name	Rejected	Tot Rej	Approved	Pending	Not Submitted
Scott Carpenters			2		
Frank Salesi	10	22	693	145	1,033
Craig Wolffis			7	3	

# eMail Notification to Approvers

File Message

Ignore X Delete Reply Reply All Forward Meeting IM More

Financials To Manager Done

Team E-mail OneNote

Reply & Delete Create New

Move Actions

Mark Unread Categorize Follow Up

Tags Editing

Find Related Select

Zoom

Zoom

If there are problems with how this message is displayed, click here to view it in a web browser.  
Click here to download pictures. To help protect your privacy, Outlook prevented automatic download of some pictures in this message.

Sent: Wed 9/17/2014 1:07

From:  Frank Salesi

To:  Frank Salesi

Cc:

Subject: Approval Required for Requisition T0403804 Needed 09/24/14

## iPurchase

Supervisor 1

Delegates for Supervisor 1:  
Scott Carpenters

Frank Salesi has submitted a Requisition that requires your approval.

Actions: [View](#) [Approve](#) [Reject](#)

If questions, please contact [issgroup@issgroup.net](mailto:issgroup@issgroup.net)

Requisition	Orig/OBO/Deliver	Supplier	Ship To	Bill To				
T0403804	Frank Salesi Frank Salesi Frank Salesi	5004000 - CDW Ms. Danielle Gregory (p) 805-923-1254	10000 - Quality Products Inc. - Quality Products Inc.	10000 - 10000 - Acme Company				
Req Type	Freight	Ship Via	PO Required	Site				
Expense Req	Our Company	UNITED PARCEL SERVICE	Yes	10000				
Buyer	Entry Date	Need Date	Status	Approved Date	Total Cost	PO Number		
Craig Wolfis	2014-09-17	2014-09-24	Pending		1,000.00 USD			
Line	Item	Qty	Cost	Ext Cost	Dept	Acct	Project	Due Date
1	22-100 CORD,POWER,UK1	100.00 EA	10.00	1,000.00	2000 OPERATIONS	8300/ RENT		2014-09-24
Activated On	Level	User/Group	Status	Approver	Approved Date	Last Notified		
2014-09-17T13:06:52.000-04:00	10.00	Supervisor 1				2014-09-17T13:06:52.000-04:00		
	36.00	Bob Buckley						
	36.00	Alex Chen						
	40.00	Finance Group						

Approve or Reject directly from eMail

# Text Message Notification to Approvers

1 of 2

FRM:frank@[njhitmen.org](mailto:frank@njhitmen.org)

MSG:View Req: "<http://goo.gl/dyllaS>"

Frank Salesi has submitted a req that requires your approval.

Supplier:

(Con't) 2 of 2

[5004000](#) - CDW

Amount: 1,000.00 USD

(End)

**Learn more about ISS Group and our Solutions**

**[www.ISSGroup.com](http://www.ISSGroup.com)**

# Questions?

Contact Andy Weinstein at:

➤ [aweinstein@issgroup.net](mailto:aweinstein@issgroup.net)

➤ [sales@issgroup.net](mailto:sales@issgroup.net)

**Thank You!**

## Copy of Presentation

A download of this presentation will be available on the ISS Group Blog page at:

[www.ISSGroup.com/news](http://www.ISSGroup.com/news)