P2P Representatives Inaugural Meeting

February 15th, 2007

Agenda

- Opening Remarks
- Welcome and Introductions
- P2P Project Overview
- P2P Communication Plan
- P2P Roles & Responsibilities
- What's Next
- Questions and Comments

Welcome and Introductions

- P2P Core Team
  - Purchasing Services – Ralph Maier, Vira Homick
  - Comptrollers – Tom Slavinski, Cheryl Walker
  - Financial Systems – Roxanne Bataitis, Dave Ishmael, Janice Brown
  - Information Systems – Rosey Nissley, Jeanine Kleba

- P2P Representatives
  - All Schools & Centers

P2P Project History

- Project kick-off – *February 2006*
- Performance Measurement & Reports – *March 2006*
- School/Center & Sr. BA meetings – *April to June 2006*
- Year-end performance reports – *July 2006*
- Established FY07 Goals and Metrics – *July 2006*
- Communications Focus Groups – *September 2006*
- Executive meetings with select schools and centers – *October 2006*

PennP2P
PROCURE-TO-PAY MADE EASY

P2P Project Business Objectives

- Reduce the amount of administrative time spent dealing with the high volume of process exceptions.
- Increase the amount of time available for value added services.
- Provide leverage for negotiating “best pricing” with suppliers and provide potential for early pay discounts.
- Provide the framework for further P2P process improvements.
- Provide opportunities to enhance eBusiness capabilities.

P2P Project Goals

- Purchasing Services
  - Streamline procurement policies and procedures.
  - Educate School/Center procurement personnel to improve compliance and process efficiency.
  - Implement School/Center P2P process reviews designed to improve compliance and reduce administrative time spent on procurement activities.
  - Identify new School/Center contracting and cost containment opportunities.

P2P Project Goals

- Accounts Payable
  - Reduce the processing time after an invoice is received to 5 days or less (from 10 to 13 days).
  - Streamline the payment status inquiry process for suppliers and School/Center personnel.
  - Measure and communicate process exceptions.
  - Process valid PO Final Close requests within 3 business days.

P2P Project Goals

- School & Center P2P Representatives
  - Lead efforts in the School/Center to accomplish broad P2P objectives.
  - Communicate issues and findings.
  - Use the exception measurement reports developed in BEN Financials to help identify and eliminate exceptions.
  - Establish corrective action plans and eliminate root causes.
  - Streamline internal procurement and invoice review processes.
    - Utilize approved buying and payment methods.
    - Clear holds in 7 days.

Project Accomplishments YTD

- Nine new supplier discount pricing agreements
- $650K in new product cost savings
- Four new marketplace suppliers
- Implemented electronic payment for reimbursements
- 60% reduction in invoice rejections

Project Accomplishments YTD

- AP processing averaging 5 business days
- PO Final Close averaging 3 business days
- Process exceptions have shown improvement but remain inconsistent
- Established P2P communications plan

P2P Communications

- Identified the need to develop a clearly defined communication plan
- Held focus sessions with key stakeholders
  - School/Centers
    - Business Administrators
    - BEN Buys Users
  - Central Services
    - AP and Purchasing Users
    - Financial Training
  - Executive Sponsors
  - Suppliers

Common Feedback - Field

- Knowledge of P2P initiatives has not filtered down to PO Managers and Requisitioners.
- Information is not consistently disseminated, especially to remote organizations and field users. Multi-layered communication will be key to reaching them.
- AP is “broken” and the “system doesn’t work”.
- P2P knowledge resides only within core business group at schools and centers.
- Resource constraints within the user community

Common Feedback: Communication Needs

- Simple graphic representation of the complete, preferred business process
- High-level P2P value-proposition and benefits (why?)
- Website knowledge base with a global overview of the business process and tools specific to each step and role

Common Feedback: Communication Needs

- Pre-formatted communications and/or presentations to share at the local level
- Standardized “report card” for schools/centers to measure progress on improvement initiatives
- Supplier communication detailing Penn’s preferred process and expectations

P2P Communication Plan

A three-pronged approach to communications includes:

- P2P ongoing communications
- P2P University-wide launch
- P2P website

P2P Communication Plan

Recurring Communications:

- Formalize the P2P Representative role
- Create channels for regular two-way communication – What works for you?
- Establish regularly scheduled P2P Representatives meetings

P2P Communication Plan

P2P University-wide launch:

- Publicity through articles in Almanac, Current, BottomLine, etc.
- Formal introduction of P2P Representatives at each school/center
- Step-by-step Buyers Guide brochure
- Roll-out of new P2P website

P2P Website

P2P Website:

- Develop a step-by-step guide for the entire procure-to-pay process.
- Define responsibilities for the roles in each step of the process.
- Create a central knowledge base to house or link all procure-to-pay reference guides, job aides, requirements and forms.

PennP2P
PROCURE-TO-PAY MADE EASY

SEARCH GO

STEP 1 Identify Need

STEP 2 Initiate Purchase

STEP 3 Issue Purchase Order

STEP 4 Delivery/Receive Order

STEP 5 Receipt/Process Invoice

STEP 6 Pay

STEP 7 Measure/Improve

Welcome

Welcome to the text that offers a high level description of business purpose and benefits of the Purchase to Pay (P2P) initiative. Some discussion about best practices and the text is about 10pt serif and talks about copy that is about 10pt serif and talks about copy to the text that is about 10pt serif and talks about copy that is the is about 10pt serif and talks about copy that is about 10pt serif.

This new P2P site offers the user a contextual overview of the steps and related actions and responsibilities; a view by role in the process of responsibilities; and a view by specific methods of payment (we are, however, only focused on the P.O. method of payment). For reference, below are you will see your role in the overall process, and by clicking on a block, you can immediately drill down to your actions and responsibilities in the process

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STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
CUS			CUS			
	REQ		REQ			
		PO	PO	PO	PO	PO
	PUR	PUR	PUR			PUR
				AP	AP	AP
						MGT

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KEY TO ROLES

CUS	Customer
REQ	Requisitioner
PO	P.O. Manager
PUR	Purchasing
AP	Accounts Payable
MGT	Sr. Bus. Management

P2P CALENDAR

Month | Year

P2P USER FORUM

P2P PROJECT

P2P GLOSSARY

STEP 1
Identify Need
- Description
  - -Actions
  - -Responsibilities
- FAQs
- Resources
- Training

STEP 2
Initiate Purchase

STEP 3
Issue Purchase Order

STEP 4
Delivery/Receive Order

STEP 5
Receipt/Process Invoice

STEP 6
Pay

STEP 7
Measure/Improve

Step 1 Description

The Purchase-to-Pay process begins when a faculty or staff member (i.e., the customer) decides that certain goods or services are needed. The customer can either access resources such as Penn Marketplace and the commodity matrix to locate vendor, price, and preferred payment information, or forward basic purchase details to a requisitioner. To ensure a smooth transaction without delays, most purchases should be made using a purchase order (PO). The other permitted purchasing methods—purchasing cards and C-Forms—are used only in defined circumstances. The customer should make every effort to become familiar with the University's preferred business practices in order to make sound, informed purchasing decisions.

Step 1 Actions

- The customer decides what is needed, when it is needed, where it should be delivered, and what project or activity is supported by the purchase. This copy section can be as long as needed. Other steps may have multiple role outlined under both this action section as well as the responsibility section. Terms that are arcane or are specific to accounting/finance will be underlined and made blue to link to the P2P glossary of terms. CUS

Step 1 Responsibilities

- The customer is responsible for conveying all purchase details an CUS

KEY TO ROLES

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P2P CALENDAR

Month | Year

P2P USER FORUM

P2P PROJECT

P2P GLOSSARY

P2P Representatives: Roles & Responsibilities

- Provide frequent and consistent communication in your school or center. This is critical to the success of the P2P Initiative and acceptance by the user community.
- Act as the communications conduit to provide information about Procure-to-Pay processes, changes and resources.
- Proactively use the P2P measurement reports in BEN to identify process exceptions and work with PO Managers to reduce them.
- Work with the P2P project team to identify root causes.

What’s Next?

- Assist the P2P team in delivering communication for upcoming roll-outs and other initiatives.
  - Electronic Disbursements - Reimbursements
  - Purchasing Card - Payment Net Implementation
  - Property Management System - Oracle Fixed Asset Implementation
- P2P “hot button” topics
  - Your perception
  - School/Center consensus

Questions and Comments