

P2P Champions Meeting

Thursday, September 24, 2009

Meeting Agenda

- FY2010 P2P Project Goals & Objectives
- SAS 112 Initiative - P2P Survey Project
- BEN Financials Update
- New Penn Travel Portal Introduction
- Future Meeting Brainstorming Session

P2P Project Business Objectives

- Increase the quality of purchasing data to eliminate exceptions and ensure payment according to terms
- Reduce administrative effort devoted to resolving process exceptions
- Increase the amount of time available for more value-added activities
- Leverage supplier payment to negotiate more “best pricing” contracts and provide potential for prompt pay discounts
- Provide the framework for adoption of emerging P2P technologies and additional process improvements
- Provide opportunities to enhance eBusiness capabilities

P2P Key Performance Metrics – FY10 Goals

- FY10 goals and measurements are set based on requirements to pay suppliers within 30 day terms
- Increase payment performance goal to 88% within 30 day supplier terms
- The FY10 measurement baseline is set based on FY09 average monthly exceptions
 - FY10 Goal for clearing invoice matching holds will be 7 days. Reduction of 50% over FY09 exceptions
 - FY10 Goal is to drive invoice receipt to AP and invoice entry to BEN within 15 days. Reduction of 50% over FY09 exceptions
 - FY10 Goal is to reduce “after-the-fact purchase orders” by 50%
 - FY10 Goal is to reduce C Form processing by 25%, pushing more transactions to PO’s or Purchasing Cards
 - FY10 Goal is to reduce invoice rejections due to cancelled or final closed PO’s by 50%
- PO invoices processed 95% within 5 business days, 75% within 3 business days

P2P Champion Responsibility

- School & Center P2P Champions
 - Lead efforts in the School/Center to accomplish broad P2P objectives
 - Use the exception measurement reports developed in BEN Financials to help identify and eliminate exceptions (www.purchasing.upenn.edu/supply-chain/p2p-exception-reports-user-guide.php)
 - Establish corrective action plans and eliminate root causes
 - Communicate issues and findings, internally and to Central P2P Team
 - Streamline internal procurement processes and invoice review processes through increased compliance to procurement policies
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P2P Exception Statistics Summary- AUG 09

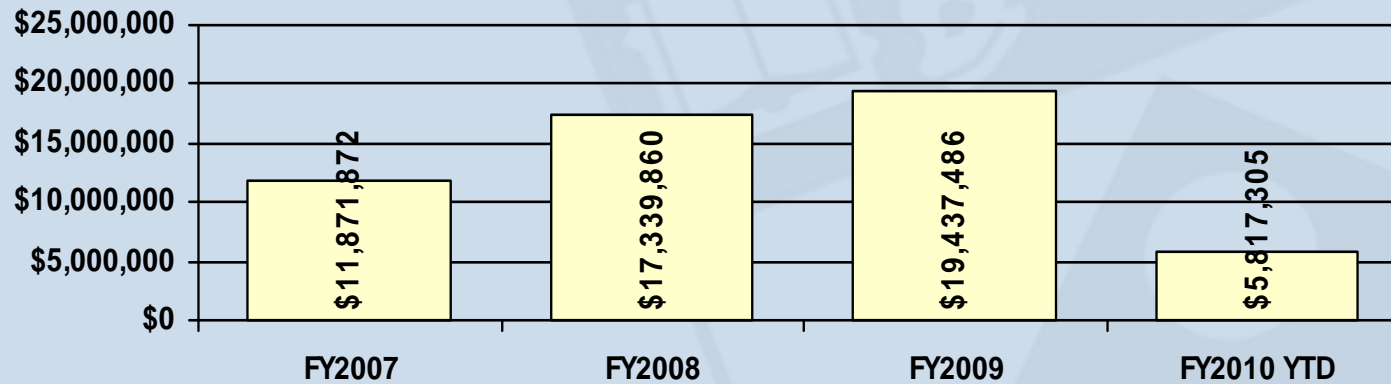
- Payment within supplier terms for JULY 2009 was 84%. YTD 2009 payment performance was 84% versus 80% for FY2009 (90% paid within 45 days for JULY 2009)
 - PO invoices on hold greater than 7 days have decreased by 23% from 540 to 419 average YTD
 - PO invoices not entered in BEN within 15 days have decreased by 39% from 6,489 to 3,958 average YTD
 - PO approval after supplier invoice date has **increased by 23% from 855 to 1,049 average YTD**
 - C Form processing decreased by 12% from 7,055 to 6,227 average YTD
 - Invoice rejections **increased by 15% from 312 to 358 average YTD**
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New P2P Compliance Reports

- New reports to be distributed quarterly by Purchasing Services
 - C-Form activity for exceptions to procurement policy
 - BEN Buys approved suppliers
 - Contract & marketplace suppliers
 - Recurring C-Form activity with potential purchase order suppliers
 - P-card activity for contract & marketplace suppliers
 - After-the-fact purchase orders
 - FY2009 baseline: 6% of PO transactions & 7% of PO spend
 - FY2010 quarterly statistics distributed to Senior BAs

P2P Impact on Cost Containment

- Documented cost savings by fiscal year



SAS 112 Project Overview

- Phase I process documentation and flowcharting completed in central services departments
 - Work continues on internal process improvements
 - www.purchasing.upenn.edu/supply-chain/sas112-p2p.php
- Phase II business objectives include:
 - Obtain an understanding of the procure-to-pay business processes in the Schools and Centers
 - Assess the sufficiency of internal controls in each of the P2P processes (purchase order, purchasing card, travel & C-Form)
 - Identify internal control weaknesses and gaps
 - Identify opportunities for greater efficiencies
 - Identify best practices among schools and centers

SAS 112 Project Overview

- Phase II business objective:
 - Obtain an understanding of the procure-to-pay business processes in the Schools and Centers
 - 12 Schools and 3 Centers designated as survey participants to-date
 - Distribution of a Senior BA survey and a General Survey for all BEN Users, P-Card cardholders & Transaction Approvers, and TAC cardholders
 - Surveys completed in 9 Schools & 2 Centers
 - Surveys received from approximately 715 recipients
 - Remaining School & Center surveys to be completed by the end of October

SAS 112 Project Overview

- Phase II business objectives include:
 - Assess the sufficiency of internal controls in each of the P2P processes (purchase order, purchasing card, travel & C-Form)
 - Completed survey results currently being evaluated
 - Survey results to be share with each organization
 - Suggested process enhancement and business controls findings and observations document to be presented to each organization
 - Best practices to be shared across all Schools and Centers
 - Identify internal control weaknesses and gaps
 - Initial findings identified a need to provide documented business control requirements for each approved buying method
 - New compliance reports for Schools & Centers

SAS 112 Project Update

- Solicitation for customer advisory teams to participate in the evaluation of:
 - Enhancements to the P2P Process Guide web site
 - Redesign of the BEN Commodity Matrix
 - Creation of a new P2P business controls matrix in support of all of the process documents

BEN Financials Update

- Posting Grant & Contract Receivables to ORG 0034
 - E-mailing Journal Import and Frozen Account Suspense reports for any non mainframe feeders
 - October: 2009 User Access Audit
 - OCR Go Live – Monday October 19
 - Possible Saturday outage
 - BEN topics for future meetings?
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New Travel Services Information Web Site

- Introduction of the new Penn Travel Services portal on September 1st.
 - www.pennttravel.org
 - New consolidated travel services information site for faculty and staff
 - Two new travel agencies : Marathon Travel & Premier Tours
 - Two new online reservation tools: Axiom & GetThere
 - New preferred contract suppliers: Airlines, Local & National hotels, ground transportation, airport parking , services, etc.
 - New T&E P2P Process Document
 - www.upenn.edu/p2p/t_e_reimburse
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Agenda Topics for Future Meetings

- What would be most useful to schools/centers?
- P2P related activities from Central?
- School/Center updates and best practice sharing?
- BEN activity updates?

Future Meeting Schedule

- All meetings will be held in the University City Sheraton Hotel from 9:00AM to 10:30AM
 - November 19th
 - March 4th
 - May 5th