

Procure-to-Pay Process Initiatives Progress Report

April 12, 2006

P2P Process Initiatives - Progress to Date

- **Benchmarks for process exceptions and improvement were established and communicated March 1st**
- **P2P process invoice detail by buyer exception reports delivered March 1st**
- **Summary reports of exceptions by Buyer available April 3rd to Sr. BA's**
 - **003 Report - Invoices on Hold by Buyer**
 - **010 Report - Invoice Creation Exceeds Vendor Invoice Date Summary**
 - **011 Report - PO Created After Supplier Invoice Date Summary**
- **P2P team continues communications to Schools/Centers**
 - **The Wharton School – March 9th**
 - **ABA Luncheon – March 15th**
 - **Senior Roundtable – April 6th**
 - **School of Medicine BA Meeting – April 19th**
 - **FRES Project Managers - TBD**

P2P Process Initiatives - Progress to Date (cont.)

- **Feedback from Schools/Centers**
 - Issues are being logged and investigated
 - Developing consistent procurement process and policy clarifications
 - Developing revisions to PO Manager Training
- **PO Final Close Process in AP**
 - Over 480 requests received by AP, with approximately 9% rejection due to open invoices or the PO was already final closed
 - PO Cancel is being used incorrectly
- **New AP Office Hours to reduce traffic and interruption, effective May 1st**
 - AM 9:00 – 10:30; PM 2:30 to 4:30
 - Phones
- **New P2P Enhancement Project Web Site**
www.purchasing.upenn.edu/about/p2p.php

P2P Process Exceptions

- **PO Invoices paid within Supplier terms (30 days) remains at approximately 60% for FY2006 to date**
 - Goal for FY06 is to move this to 75%
- **Invoice matching holds greater than 30 Days on hold decreased by 14% during March (911 to 780)**
 - Goal for June 1, 2006 is 0 holds over 30 days
- **Invoices not entered in BEN Financials within 30 days of the supplier invoice date reduced by 15% (3,110 to 2,640)**
 - Goal for June 2006 invoice processing is 50% reduction
- **Purchase Orders approved after the supplier invoice was received decreased by 23% (2,310 to 1,780)**
 - Goal for June 2006 invoice processing is 50% reduction
- **Key Point – Roughly 75% of exceptions are attributed to 25% of the PO Managers/Buyers**

P2P Process – Next Steps

- **Continue to monitor and report our progress with reducing process exceptions**
 - **Follow up with Schools/Centers still incurring high exception volumes**
- **Complete P2P process reviews with FRES and School of Dental Medicine**
- **Develop measurements and reporting on C Forms by School/Center**
- **Clear all invoice holds greater than 30 days by June 1, 2006**
 - **Don't lose sight of the holds in the 7 to 30 day range**
- **Remember the driving business goals**
 - **Provide leverage for negotiating “best pricing” with suppliers**
 - **Reduce the amount of time spent dealing with process exceptions**
 - **Increase time available for value added services**
 - **Provide the foundation for continued P2P process improvements**
 - **Purchasing Card – Paymentnet implementation**
 - **eInvoicing and ePayment**
 - **Direct deposit for travel reimbursements**