ERP, eProcurement, Procurement Platforms: Integrating Sustainable Purchasing

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Today we are here to:

1. Discuss the opportunities and the challenges that ERP and e procurement platforms
2. Learn from current practice and efforts underway
3. Formulate a game plan for the SPLC community:
   • Articulate a vision for better integration
   • Decide next steps for SPLC to work on this topic together
ERP has been transforming procurement
  + enables far greater insight into what is being bought, by whom, for what, and why.
  + creates many opportunities for improving participation in sustainable purchasing.
However, we hear that it’s not so easy

“information overload”

“I just click the “N/A” response”

“what green code do I use?”

“I just want to complete the transaction, as fast as possible”

“we will get to sustainability later”

“garbage in- garbage out”
This session is about the intersection of:

- Sustainability
- Purchasing
- Data
- E-Systems
Overview of Enterprise Resource Planning (ERP) Systems

- Procurement (SRM)
- Production (PLM)
- Distribution (SCM)
- Accounting
- Human Resources
- Corporate performance and governance
- Customer services
- Sales
### Procurement processes being supported

#### Pre-Award
- SOWs, RFPs, and Notifications
- Supplier registration and pre-qualification
- Submission
- Evaluation

#### Award
- Award contracts
- Buy products/services
- Record transactions

#### Post-Award
- Invoicing and payment systems
- Supplier engagement
- Monitor compliance
- Measure impacts and outcomes
- Inform strategy and prioritization
It’s an evolving landscape

• Onsite servers to cloud and SAAS
• Hub-and-spoke to many-to-many systems
Why is that?
Example: State of CA DGS and Fi$Cal

- There are several enterprise resource systems operating within the state of California today.
- Gradually, all will switch to FI$Cal, conducting their procurements within the system.
- All payments to State of California vendors will eventually be processed through FI$Cal.
- FI$CAL will become California’s book of records for accounting.

(slides on CA courtesy of CA DGS, Charleen Fain-Kesler)
Integrating Environmentally Preferable Purchasing within FI$Cal

- DGS Purchasing Standards
- Third-Party Certification
- Take-Back
- SABRC Reportable
- SABRC Subcategory
- PCRC Source
- EPP
1. Supply chain modules: JIM & SARAH
2. E-procurement systems for RFPs and SOWs: HOLLY
3. Buying platforms and catalogues: ANASTASIA
4. Monitoring & reporting systems: JONATHAN
1. What functions do these systems serve?
2. How are they used today for sustainable purchasing?
3. In 2020, business process software that supports sustainable purchasing leadership will do...
4. What are the next steps to get there?
Reconvene

• How should SPLC work together on this topic?
• What might we report back to the SPLC members at the 2016 Summit?
Stay in touch!

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Opportunities

- Embed sustainability practices and risk profiles into existing ERP and E procurement systems
  - As defaults
  - As modules
- Develop and use common classification codes
  - Enables comparison
  - Enables data to be transferred
  - Reduces
- Compliance, disclosure and decision support
- Increase likelihood that sustainable choices are made, monitored, recognized