



Details are Important

Assisted Living Facility Self- Service Procurement

Streamline purchase requisition processing, increase authority delegation control and flexibility, and avoid increasing overhead cost.

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THE SITUATION

A senior assisted living organization had one purchasing agent for over eleven hundred employees. All purchase requests communicated through ad-hoc emails. It became impossible to keep up with the flood of purchase request emails, and this created pressure to hire additional purchasing agents. Additionally, since there were no approval controls, all requisitions were approved by the Chief Financial Officer before becoming purchase orders. This low level of authority delegation forced senior management involvement in almost every purchase.

The client could no longer keep up with the current level of purchasing activity, let alone keep up with the increasing purchasing volume.

SELF-SERVICE PROCUREMENT SOLUTION

We implemented Oracle Applications iProcurement, self-service, and purchase requisition systems. iProcurement is a web-based requisitioning system that integrates tightly with the core Oracle eBusiness Suite. iProcurement's user-friendly interfaces, combined with tight integration to Oracle Approval Management and Oracle Purchasing, ensures a requisition system that is easy to use and streamlines authority delegation control and flexibility.

Because iProcurement is made available to users as an Internal Cloud solution, no additional desktop hardware and software is required. iProcurement requisitions flow through an approval hierarchy defined and controlled by the client. Once approved, iProcurement requisitions are automatically turned into purchase orders or purchase order lines using the Auto-create function or Oracle Purchasing. iProcurement requisitions and the resulting purchase orders are created with the requisitioners location, and received material is delivered directly to the requisitioner. Received requisitions update the purchase order status to Received so that it can be Billed (matched to a supplier invoice) in Payables.

TODAY

All employees are using iProcurement to create requisitions for expense goods and services. The increased authority delegation and control eliminates the requirement of having all requisitions approved by the Chief Financial Officer. Now more than 90% of all requisitions never reach the CFO for approval. Overhead cost increases for additional purchasing resources have been avoided.

IMPLEMENTATION PROCESS

As with all successful system implementations, the first and most important reason for this project's success was **excellent teamwork**. We quickly implemented iProcurement and realized the economic benefits of this new system because of **senior management commitment** to the project, **team readiness** for the process change, and **well-practiced project methodology**.

TEAM READINESS

We knew from the beginning, the most important critical success factor was the team's readiness to change. By completing several process walkthrough sessions to illustrate the current system's weaknesses, we built a team ready to use iProcurement, and enthusiastic about changing the way they handled purchase requisitions. This process built confidence in the team's ability to succeed, brought clarity to the solution design, and taught the team how to get the most out of iProcurement.

CLIENT COMMITMENT

By working with our client, we created clear and concise business objectives for the self-service procurement system. This clarity ensured a shared vision of our joint goal and made it easier to work through issues that came up along the way.

METHODOLOGY

We did not reinvent our methodology for this project; we did use a well-defined, well-documented, and consistently practiced methodology, to ensure a smooth process that left no holes in the delivered system.

These critical success factors are essential ingredients of all our projects, and, therefore, you will find them in every case study we write.

BUILDING BLOCKS

Our architectural goal from the onset was to use as much Oracle standard functionality as possible. This goal was important for four reasons:

- Faster Implementation
- Reduced Cost
- Reduced Schedule Risk
- Better Sustainability over the long haul

It turned out we had to create one custom extension to AME Workflow to simplify authority delegation dollar limits.

- **iProcurement Requisition Approval Limit** – We used an Extra Information attribute on the Employee Assignment to store the delegated dollar limit for each employee using iProcurement.

The remaining architectural elements are standard Oracle eBusiness Applications and off-the-shelf hardware.

ORACLE IPROCUREMENT

Oracle iProcurement is the Oracle module that provides web-based requisitioning and receiving. It supports catalog and non-catalog requisitions. Initially, iProcurement allowed only non-catalog requisitions only. Since the initial roll out, we've added Catalog Punch-out. Catalog Punch-out allows the requestor to create requisitions directly from the supplier's web catalog. Punch-out requisitions turn into regular iProcurement requisitions that flow through the standard approval and purchase order creation process.

ORACLE APPROVAL MANAGEMENT ENGINE

Oracle Approval Management integrates Oracle eBusiness Suite with Oracle Web applications to provide flexible authority delegation and control.

ORACLE PURCHASING

Oracle Purchasing is the core purchasing software module used by professional purchasing buyers and managers. It provides comprehensive functional support and streamlines the core purchasing activities. It integrates tightly with the other core Oracle eBusiness Suite of applications (General Ledger, Inventory, Payables, Fixed Assets, etc.).

ORACLE HUMAN RESOURCES

The client used Oracle's suite of Human Capital Management (HCM) Modules (Human Resource Management, Advanced Benefits, and Payroll). When the HCM modules are fully installed, you must configure them along with the other installed Oracle modules. Clients that do not use the HCM modules can simply configure all the assignment and employee information in Purchasing.

HARDWARE

iProcurement did not require additional hardware.

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Healthcare organizations can streamline requisition processes, reduce overhead, and increase authority delegation control by implementing Oracle iProcurement. If you found this, article useful or have questions, please contact SPG at (619)992-4107 or email Bill Weeks at bill.weeks@spgusnet.com.