



ITAC Review

Source to Pay Solution

22 Mar 2017



Source to Pay Solution

Overview

The goal of the Source to Pay (S2P) solution is to provide end-to-end automation; reduce maverick spend; and enhance spend management, data quality and availability, and supplier management across the Source to Pay (S2P) process spanning Procurement and GAO.

Source to Pay Solution

Justification

- The current contract expires in April 2017.
- Opportunity for value-added lean efforts for:
 - Big data mining capabilities and internal reports of the spend data
 - Increased efficiency in cross-agency contracts
 - Full capability to capture value of negotiated contract terms
 - Management of supplier performance and compliance to negotiated contract terms
 - Increased internal and external stakeholder efficiency including supplier on-boarding; and elimination of “other” state purchasing systems
 - Detailed business intelligence and data analytics
 - Alignment with the State’s approach in “One” Procurement
 - End-to-end automation of State and supplier processes

Source to Pay Solution

Current State

| Spend Analysis | Savings Tracking | Supplier Management | Sourcing Management | Contract Management | Content Management | Spot Buying | Procurement | Services Procurement | Invoice Management | Travel & Expense Management |
|-----------------|--------------------|--------------------------------|---------------------|---------------------------|---------------------|-------------|----------------------|----------------------|---------------------|-----------------------------|
| Data Extraction | Spend Forecasting | Research | Project Management | Authoring | Category Management | Quote | Purchase Requisition | Purchase Requisition | Invoicing | Expense Entry |
| Data Enrichment | Savings Management | Qualification & Classification | eRFx & Auctions | Approval | Content Management | Order | Approval | Approval | Approval | Approval |
| | Controlling | Performance Evaluation | Bids | Repository | Catalog Management | | Purchase Order | Purchase Order | Integration | Integration |
| | | Risk Management | Awards | Contract Template Library | | | Goods Receipt | Services Receipt | Dynamic Discounting | |
| | | Integration | | | | | Integration | Integration | | |
| | | Data Management | | | | | | | | |

Legend:

- Red - limited capability
- Yellow - reduced capability
- Green - current capability
- Blue - potential road map capability

Assessment: S2P Third Party Consultant Report

Project Feasibility Status

➤ Project Strengths:

- Phase One (Procurement) showed detailed project planning for procurement and planning activities
- Transparency and response timeliness for IV&V requests
- Arizona Department of Administration (ADOA) Executive Sponsorship
- Strong technical expertise in procurement and enterprise resource planning (ERP) areas
- Use of lessons learned from the initial RFP iteration to improve the RFP process
- Project expenditures and projections are on track to come in under the \$310K budget for Phase One

➤ Focused Findings and Recommendations:

- Review project schedule to verify project timeline is achievable
- Clearly define final requirements with selected vendor
- Ensure deliverable QA process is followed

Source to Pay Solution


ADOA Response to Assessment

- **Response to Focused Findings and Recommendations:**
 - **Review project schedule to verify project timeline is achievable**
 - Schedule will be reviewed in weekly status meetings
 - Any changes will be documented and subsequently included in final contract
 - **Clearly define final requirements with selected vendor**
 - State's focus is on capabilities and functionality rather than prescriptive requirements
 - Any changes will be documented and subsequently included in final contract
 - **Ensure deliverable QA process is followed**
 - Will ensure compliance with EPMO accepted practices

Source to Pay Solution

Summary

- Held agency focus groups to ascertain their business requirements and desired focus
- Determined SaaS or hosted delivery business model would best serve the State's needs and aligns with the IT Strategy of the State.
- Solution will support the strategic sourcing needs of State Procurement
- For longevity of investments, final contract term will be targeted for 3 years with annual extensions up to 10 years
- Released competitive RFP which includes an Evaluation Committee cross-section of large agencies including both procurement and finance Subject Matter Experts (SMEs)

The background features a large, faint watermark of the Seal of the State of Arizona. The seal is circular and contains the text "SEAL OF THE STATE OF ARIZONA" around the perimeter. In the center, there is a shield with a banner that reads "DITAT DEUS". Below the shield, the year "1912" is inscribed, flanked by two stars.

Questions & Answers