

Whitepaper

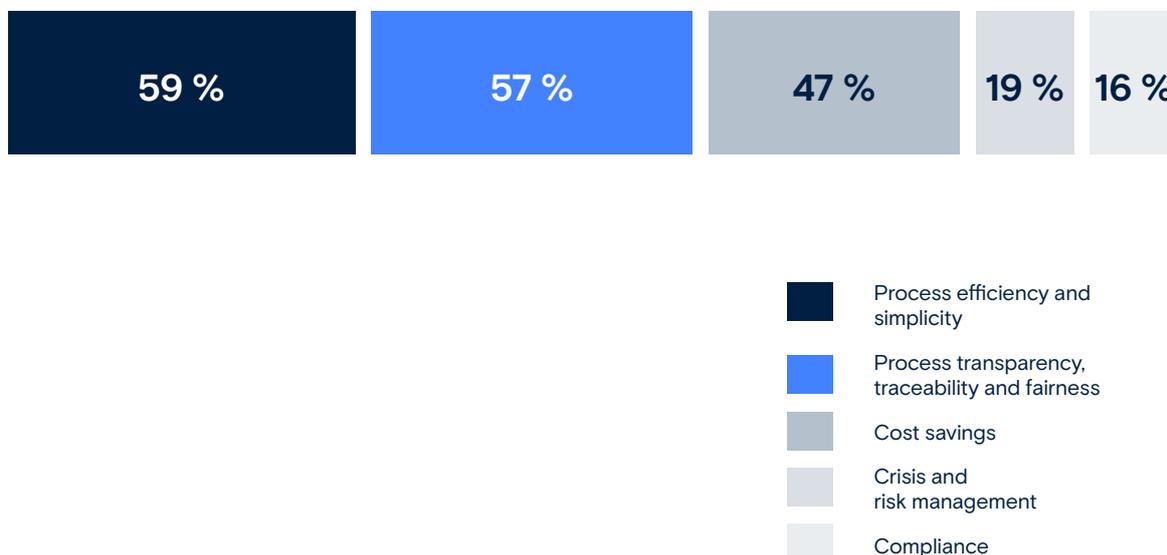
E-Procurement –  
how digital procure-  
ment can drive your  
business forward

**All parts of success**

# Digitalisation is evolving alongside your business

In recent years, many companies have recognised the increasing potential of digitalising procurement and are now actively pushing for it to be implemented so they can quickly save money and minimise risks. Are you one of them?

## Main drivers for the digital transformation of procurement



Note: PwC Global Digital Procurement Survey, 4th edition (base 800+ respondents)

Question: What are the main drivers for implementing a Procurement digital transformation? (select 2 choices)

Source: survey, PwC <https://www.pwc.com/gx/en/services/consulting/digital-procurement/pdf/PwC-digital-procurement-survey-4th-edition-2022.pdf>

# Reacting to rising costs with digitalisation

A great number of companies are facing a serious procurement problem. Materials and resources are hard to come by and are becoming increasingly expensive. Purchasing departments usually have no alternative other than to pay higher prices for materials. To remain competitive, savings need to be made in other areas.

For companies, this means that if you want to cut process costs and make your purchasing

processes fit for the future, you will not be able to avoid using digital tools in the long run. In many companies, procurement offers numerous opportunities for digitalisation and process optimisation. The result is huge potential savings that are easy to achieve with eProcurement. On the following pages, you will find out the advantages of eProcurement and which solution is the best fit for your company.

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# 5 signs that your purchasing processes need to be optimised

Recent years have brought with them severe crises that have proved challenging for many companies. To find solutions, people have been quicker to push forward with digitalisation, and in doing so have been able to make huge changes. The leap towards digital working offers numerous opportunities to save money, resources and time. Is it time your company also made a few changes? Find out by taking a critical look at your processes. Are you familiar with the following problems?

## → Is your company affected by supply shortages?

Supply shortages can hold up work processes and even bring them to a complete halt. If they happen often, optimisation is a must to restore supply security.

## → Does your company's purchasing department have long waiting times?

Long waiting times in Purchasing can arise when purchasing processes are long-winded and complex. Process optimisation as part of digitalisation both simplifies and speeds up processes.

## → Are the purchasing staff in your company overloaded with work?

Having staff who are overloaded with work indicates a critical need for optimisation. Often, they are overloaded because they have less time to carry out their actual jobs (i.e. procu-

rement) due to extra tasks. With digitalised purchasing processes, many steps can be automated, leaving staff more time for what is really important.

## → Is it impossible to meet all of the sustainability targets or to comply with legal requirements?

If there are targets or regulations that you find challenging, digitalising purchasing can make a valuable contribution, by the likes of significantly reducing the amount of paper-work and enabling more resource-conserving procurement planning.

## → Does your company's purchasing department incur high process costs?

High process costs are often a sign of inefficient processes. Costs plummet when unnecessary steps in the process are found and removed, and as many steps as possible are automated.

If you answered 'yes' to one or more of these questions, your company could benefit from the many advantages of digitalising purchasing processes.

# Procurement 4.0 – How digitalisation can optimise your purchasing process

With eProcurement, it is possible to digitalise and automate purchasing processes. Before digitalisation takes place, it is helpful to take stock of existing processes and the company structure. During subsequent process optimisation, purchasing processes will be simplified, made more efficient and adapted to suit the company structure.

Digital approval workflows with dedicated role management result in greater flexibility and speed. Data is transmitted in real time, allowing

for quick order processing and minimising the risk of error. Average process cost savings of up to 30% can be achieved by doing this.

If you save time, you save money. Findings from a study conducted by the BME1 (the German Federal Association of Materials Management, Procurement and Logistics) support the argument for cost savings: thanks to eProcurement with a catalogue system, this study also shows that process costs in purchasing are reduced by an average of 30%.

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## At a glance: the advantages of eProcurement



**Significant time savings:** eProcurement systems automate and speed up routine tasks and workflows.



**Greater transparency:** The entire ordering process can be viewed transparently in a single system, minimising input and transfer errors, allowing for direct price comparisons, improving adherence to schedules, facilitating decision-making and making it possible to see market changes faster, to name but a few examples.



**Less maverick buying:** Having a fixed pool of suppliers prevents unauthorised orders in Purchasing.



**Better supplier management:** Interactive dashboards give an overview of all supplier activities and employees' ordering behaviour.



**New ideas:** Good interconnectedness and a high level of data availability make processes visible, allow for faster reactions and show paths that have not been taken before. eProcurement helps with developing new business models.

eProcurement solutions from Conrad:

# Simplify purchasing in your company

Conrad provides eProcurement solutions that are tailored to your company and facilitate the procurement of technical supplies and electronic components. Our systems give you all the advantages of eProcurement and much more besides. With our experts by your side, you will benefit from the experience and sales channels of an innovation-driven commercial electronics business. Here are a few of the advantages for you:

**Fast procurement from a single source:**

With eProcurement from Conrad, you always have access to the entire product range and more besides.

**Versatile and unique:**

Conrad eProcurement can be used in all industries. You will benefit from systems and product portfolios that are compiled specifically according to your company's requirements.

**Tangible cost savings:**

Our experience has shown that switching to

digital procurement can cut process costs by up to 30%. This starts as soon as the solution is implemented and put into ongoing operation, which, unlike other systems, does not incur any costs.

**Intuitive, easy to understand and compatible:**

The Conrad system enables fully digital and intuitive procurement processes, meaning you can link it seamlessly to existing ERP systems and it provides options for monitoring and controlling. It speeds up workflows and makes all the necessary information available with just one quick click.





## Static solution (e-catalogue)

It makes sense to use e-catalogues if your company does not need to take dynamic action when it comes to purchasing behaviour, but instead prefers fixed price lists that are only updated a few times a year. In this case, ordering processes are carried out over a platform shared with all the parties involved.

### **This is how it works:**

The company that is buying chooses the product ranges and brands it wants. The supplier then makes the relevant product data available in the form of a static e-catalogue that can be integrated into its existing procurement system (common file formats are BMEcat, CSV and XLS). All the information on the individual products can then be viewed there directly by all employees. It remains unchanged until the next catalogue update.

### **Pros and cons of e-catalogues:**

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- ✓ Full integration into your own procurement system
- ✓ Supports all the leading procurement systems
- ✓ Identical e-business standards and catalogue exchange formats prevent media disruptions within the supply chain
- ✓ Customised offers, conditions and information for each client
- ⊖ Manual effort required to connect the catalogue on the purchasing side, e.g. updating catalogue data
- ⊖ Many procurement system providers charge for catalogue updates
- ⊖ Newly listed items, price cuts and changes to product details are only available with the next catalogue update
- ⊖ Third parties are not integrated over the provider's marketplace system



## Dynamic solution (OCI/PunchOut)

Open Catalog Interface (OCI) is a standard interface that enables the exchange of product data between your company's procurement system and the supplier's online platform in the form of digital PunchOut catalogues. With this solution, as the company placing the order, you have direct access to a customised e-commerce website put together by the supplier. In many cases, this requires the free provision of an interface.

Unlike the common practice of using a shop page, product ranges, features and conditions can be individually defined on this website,

meaning they can be tailored to the requirements of each individual corporate client. For purchasing managers, this means they only see the product groups and families in their PunchOut catalogue that are relevant for their company and its operations.

**i** **Another major advantage:** PunchOut catalogues keep themselves up to date, so changes or adjustments to product portfolios or prices can be incorporated without any delays. This is especially practical when the supplier has a large range of products to choose from.

### Pros and cons of OCI/PunchOut::

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- ✓ Full integration into your own procurement system
- ✓ Supports all the leading procurement systems
- ✓ Complete control of product groups and categories
- ✓ Dynamic expansion of the product ranges
- ✓ Shows product information and availability in real time
- ✓ Up-to-date prices incl. already agreed reductions or discount increments
- ✓ Third parties can be integrated over the supplier's marketplace system
- ✓ Very few manual follow-up steps after it has been successfully implemented
- ⊖ Approval and analysis options depend on the procurement system and provider
- ⊖ Connecting PunchOut catalogues can incur a fee depending on the provider

# Easy to implement: 5 steps to your Conrad eProcurement solution

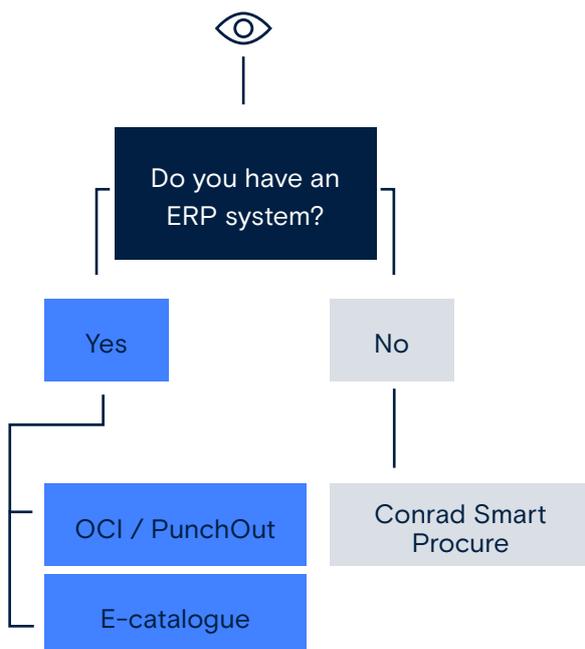
## 1. Get in touch with us and we will be happy to advise you.

You will find a lot of information about our eProcurement system on our [website](#), among other places. Contact us for more detailed information on the system and find out how our team can help you find the ideal solution for your company.

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## 2. Choose the connection that best suits your company.

You have the option of relying on our OCI self-service offer and configuring your OCI shop yourself, or calling on the support of our customer care team to connect to your ERP system.



## 3. We will help you integrate your eProcurement system.

Work with our team of experts to establish a seamless connection between the Conrad eProcurement solution and your existing systems. We will, of course, also be happy to help if you have any questions about the OCI self-service option.

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## 4. We can train your staff.

Using Conrad's eProcurement system is very easy and intuitive. After a brief introduction given by our team of experts, your employees will be ready for digitalised procurement.

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## 5. Make the most of the time and money you save.

Thanks to leaner processes and lower demands on staff, your purchasing team will again have time for critical tasks, such as negotiating prices and conditions with new suppliers, or conducting extensive market analyses in relation to procuring new components. This will lead to further savings. The money available can then be reinvested. Making sure your company is fit for the future.

## Getting the ball rolling – **Ensuring your purchasing is future-proof**

Set your procurement operations on a path to the future. If you get started straight away, you will begin to notice the difference in just a few weeks' time: purchasing staff can meet deadlines more easily and have a reduced workload thanks to optimised processes. All the departments receive their orders quickly and in full. Process costs are significantly lower, and regulations and targets are easier to meet.

**Sound good?  
Do not waste any more time.  
Contact us now.**

<https://platform.conrad.de/en/customer/e-procurement>