eProcurement – Major Milestones

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Both

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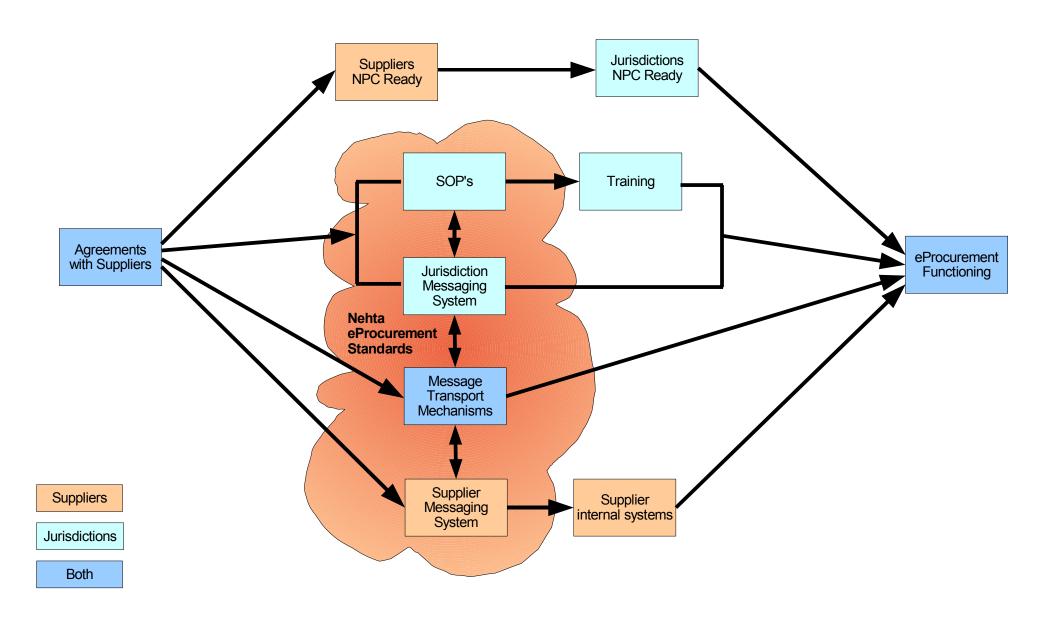
e-Procurement – Major Milestones

Milestone Descriptions:

Agreements with Suppliers

Given that e-Procurement heavily relies on communications between buyers and suppliers, it is critical that before anything else starts that there is agreement in place as to the standards and details that will be used in that communication. These agreements do not necessarily need to be contractual, but many of them will be.

Examples of these agreements include:

- NPC definitions
- Use of GS1 XML for messaging
- Use of a hub for message transport

These agreements need to be specifications that unambiguously define how communications will occur between the buyer and the seller.

Suppliers NPC Ready

At this point, the suppliers have fully populated the NPC with details for all products that will be acquired through e-Procurement. Different suppliers may be NPC Ready at different times.

Jurisdiction NPC Ready

This means that the Jurisdiction is able to download data from the NPC and use it effectively in the procurement process. At this point, the jurisdiction will be using the NPC as the primary source of catalogue information for all suppliers that are NPC ready. It is possible for a jurisdiction to be NPC ready before one of their suppliers is NPC Ready. This means that the supplier will be included in the e-Procurement process as soon as they are NPC Ready.

Standard Operating Procedures (SOP's)

Many existing SOP's will need to be updated to take into account the changes brought on by e-Procurement. Changes are expected in the Purchasing, Receipting, and Receivables SOP's.

Training

Staff need adequate training in order to use e-Procurement effectively. For most staff, the training required will be directly related to the SOP's that affect their job.

Jurisdiction Messaging System

Each jurisdiction must be able to create, send, receive, and interpret e-Procurement messages in the NEHTA standard. These messages are:

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Purchase Order	*Outgoing*
Purchase Order Response	*Incoming*
Purchase Order Change	*Outgoing*
Despatch Advice	*Incoming*
Invoice	*Incoming (Normally)*
	Outgoing (if RCTI)

Nehta standards include:

- GTIN's to identify the item
- GLN's to identify locations
- Standardised lists for codes such as UOM
- Standardised error prevention/handling procedures

Message Transport Mechanisms

Once the message is created by either party, it must be transported to the recipient. There are three basic options.

- A Hub to which both parties subscribe
- Two hubs which interconnect. Jurisdiction connects to one and the supplier connects to another.
- Direct connect between jurisdiction and supplier

This transport mechanism may or may not include a transformation of the NEHTA standard messages into a format specified by the supplier. If so, this transformation process must retain data integrity.

Supplier Messaging System

Like the jurisdictions, suppliers must be able to create, send, receive, and interpret e-Procurement messages in the NEHTA standard. These are the same messages as for the jurisdictions, but the movement direction is reversed.

Purchase Order	*Incoming*
Purchase Order Response	*Outgoing*
Purchase Order Change	*Incoming*
Despatch Advice	*Outgoing*
Invoice	*Outgoing (Normally)*
	Incoming (if RCTI)

If the supplier transforms the data for whatever reason, they must retain data integrity and their own internal representations must be exactly equivalent to the data they receive.

Supplier Internal Systems

Like the jurisdictions, suppliers will need to make changes to their own internal systems and processes. The details are irrelevant except for the time taken to be ready to trade using NEHTA e-Procurement standards.